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AGRICULTURE

GERMAN DEMOCRATIC REPUBLIC

RELIANCE ON NATURE REDUCES FARM PRODUCTION COSTS

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol. 33 No 7, Jul 1985, pp 997-1008

[Article by Wolfgang Mueller, certified sociologist, certified agronomist, graduate instructor at the Institute for Socialist Political Economy; Academy of Social Sciences, CC SED. Original title: "Comprehensive Intensification of Agriculture and More Effective Utilization of Nature."]

[Text] Over the past several years, the cooperative farmers and workers in socialist agriculture have been doing an ever-better job in meeting the requirements arising from economic strategy in terms of the further development of agriculture.

It was possible to establish at the Ninth Conference of the SED Central Committee that the constant increase in yields and service performance is now taking place against the background of a better ratio between expenditure and results. (Footnote 1) (Ninth Conference of the SED Central Committee, "From the report Politburo to the Ninth Conference of the SED Central Committee," reporting officer: E. Honecker, Dietz Verlag, Berlin, 1984, p 46.) It turns out that it is not only necessary but also possible in agriculture likewise to turn the qualitative growth factors into the decisive factors and thus to achieve growing results without an increase in the employment of resources at the same pace.

The results that have been achieved until now in agriculture in terms of production development or the reduction of the specific expenditure (including the considerable absolute saving of specific assets) justify the conclusion that this marks the initiation of an economic process which is unparalleled in the past development of our socialist agriculture. The transition to comprehensive intensification is at the very center of this process.

It was pointed out already in earlier articles published in WIRTSCHAFTSWISSENSCHAFT that "intensification of agriculture has, for a long time, been the fundamental production development process, because this is the only way to make use of the developing production forces which facilitate the increase in the output volume and the rise in labor productivity." (Footnote 2)

(K. Groschoff, R. Heinrich, H. Wirsig, "Aspects of the Further Intensification of Agriculture in the Light of the Resolutions of the Tenth SED Party Congress," WIRTSCHAFTSWISSENSCHAFT, No. 11, 1981, p 1307. See also K. Groschoff, R. Holzberger, W. Schulz, "On Further Socialist Intensification and Rationalization in the Agriculture of the GDR, Especially with a View to Crop Production," WIRTSCHAFTSWISSENSCHAFT, No. 12, 1982, p 1798.) The objective of giving intensification on the scale of the entire national economy--and thus also in the national economic sector of agriculture--a comprehensive character creates the new requirements for agriculture. During the 1960's and 1970's, intensification of agriculture was aimed above all at the main production factor represented by the soil and at labor-saving processes; on the other hand, comprehensive intensification is characterized by the fact that all production and reproduction factors are now included in the intensification process. The comprehensive intensification of agriculture can be achieved only if the intensification process, in contrast to the 1960's and the 1970's, is continued with a new quality, that is, a quality which will mean that the production results will grow faster than the effort required for this in terms of social labor.

The further intensification of agriculture calls not only for a mere continuation of past development tendencies. (Footnote 3) (Cf., W. Heinrichs, "Comprehensive Intensification and Reproduction Theory," WIRTSCHAFTSWISSENSCHAFT, No. 7, 1984, p 962.) Instead, comprehensive intensification requires the production results, especially in crop production, to grow at a considerably higher rate and that hitherto unseen growth rates be achieved by means of increasingly asset-saving production. This change in the intensification process of agriculture is frequently also referred to as "consistent continuation of intensification" "In-depth intensification," and "higher stage of intensification." But this does not adequately clarify that which is qualitatively new in the agricultural intensification process. The labor-saving and asset-intensive processes, which predominated in agriculture during the 1960's and 1970's, must be converted into labor-saving and asset-saving processes. This is more than just a new step in intensification; the essence of this development is characterized more accurately by the term "new quality of intensification."

Comprehensive intensification requires greater effectiveness on the part of the subjective factor, as well as the acceleration and faster utilization of scientific-technical progress. In addition there is the fact that increased consideration of the territorial factor is absolutely necessary in an effort to increase the output coupled with a simultaneous effective improvement in agriculture, because the production effort as such is fixed in terms of location, especially as regards the unalterable extent, in terms of area coverage, of the soil as a main production factor, as well as the close reciprocal relationships in the soil--crop--animal--soil cycle. In addition to these three factors, the more effective utilization of nature is an essential requirement for the comprehensive intensification of agriculture. (Footnote 4) (Cf., K. Ahrends, U. Neubauer, "On the more Effective Utilization of Nature--Especially the Soil--in Agriculture," in this issue.)

All agricultural production is based on the utilization of natural resources and natural conditions. In the process of the comprehensive intensification of

agriculture, the more effective utilization of nature moves increasingly to the focus of both agricultural research and agricultural practice. The increase in production in agriculture is primarily tied to the better mastery of natural, especially biological processes. If we are successful in better exhausting the free services connected with nature, then we can bring about positive effects on the development of effectiveness. Questions connected with this carry decisive weight regarding economic strategy in agriculture.

Other branches and sectors of the national economy are also influenced more or less powerfully by the blessings or scourge of nature, for example, by the weather and by changing conditions in the exploration and mining of raw materials and energy sources. "The various natural conditions of labor mean that the same quantity of labor ... will meet different volumes of need, in other words that, other things being equal, the necessary working time will differ." (Footnote 5) (K. Marx, F. Engels, "Werke," Dietz Publishers, Berlin, 1956-1968, Vol. 23, p 537.) The agricultural reproduction process, however, is influenced not only by natural conditions; instead, these conditions here are direct growth and effectiveness factors in combination with the natural resources. The utilization of natural resources and natural conditions is not only a factor in raising labor productivity in agriculture but it is above all from the very beginning a fundamental condition for the production of agricultural products. This has far-reaching effects on the concrete course of the production and reproduction process and the way it shapes up.

Foodstuffs will continue to consist of vegetable and animal products or will be obtained through cultivation and processing also for the foreseeable future. The increase in foodstuff production thus presupposes increasing production especially as regards crop products. Vegetable and animal products by no means lose importance also regarding their raw material function with respect to other industrial branches; on the contrary, the requirement for agricultural raw materials will continue to rise in the future. This springs above all from the fact that agricultural raw materials are reproducible in an expanded manner because their source--in the final analysis, the soil--is not exhausted, but will become more and more productive if it is treated properly.

The effectiveness of nature and its ever better utilization are and remain the essential foundation of agricultural production. Nature in the past likewise played an important role in agricultural production, regardless of the way it was reflected in theory. Under the conditions of the transition to the asset-saving type of intensively expanded reproduction, one must however thoroughly rethink its utilization. Here, two problems carry particularly great weight: first of all, it is necessary to discover additional possibilities and implementation conditions for the more productive utilization of nature. Second, all free services connected with the effect of nature must be explored more accurately and must to the highest possible degree be exploited in the effort to reduce the expenditure of assets in agriculture. The ratio between expenditure and result in agriculture is decisively influenced by the degree which these free services are thoroughly utilized.

These free services in particular include the following:

the ability of the soil to produce certain yields in combination with labor and with agricultural useful crops;

the biological substance formation and substance conversion processes of useful crops, useful animals, and microorganisms;

solar radiation, natural precipitation, climatic factors, and natural forces.

The better utilization of the free services provided by nature at least calls for the following three things:

First, nature can become more productive if the potentials of such natural resources as soil, plant, and useful animals but increasingly also various microorganisms are enlarged. This calls for an increase in soil fertility as well as plant and animal breeding work; here, significant possibilities arise in breeding precisely due to new methods.

Second, the effective utilization of nature essentially depends on how we manage to counter negative effects upon agricultural production and the production results deriving from nature and what kind of effort is required for this. This points to certain conclusions, among other things, regarding the utilization of favorable time intervals, the degree to which agricultural equipment can be used under unfavorable weather conditions, the supply of additional water during dry spells, the decline in the vulnerability of useful crops and useful animals to certain effects deriving from the weather, as well as damage-causing and disease-causing factors. In connection with this, we also encounter higher requirements in terms of the performance readiness of the cooperative farmers and workers in agriculture in terms of their flexibility and availability for work, especially under the most favorable weather conditions.

Third, nature's free services grow all the more, the better we manage to prevent or restrict certain negative influencing factors. This, on the one hand, includes undesirable side effects upon the environment which derive from intensification and which, in longer-range terms, have negative repercussions on intensification results in agriculture. Besides, this also involves the ultimate effects on nature which result from the violations of agricultural cultivation and animal-keeping requirements and laws and which must be compensated by means of an additional effort, to the extent that this is at all possible. Compliance with the time intervals that are favorable in crop production in terms of agricultural technology continues to be a timely problem here. Any deviation from these deadlines means that the yield potential is not fully exhausted or at a greater effort will become necessary in terms of seeds, mineral fertilizer, and often also human labor, equipment, and energy. Meeting agricultural-technical deadlines depends especially on the available agricultural equipment, above all its availability during the most favorable equipment utilization intervals, but also on the way the crop sequence is developed, on the variety structure, and on work organization.

Table 1. Share of Winter Wheat Surface Areas Cultivated by Deadlines (Percent) and Yield Loss Per Day of Delayed Seeding

	Deadline	Share of Cultivated Surface				Yield Loss dt/day
		1976	1979	1980	1982	
Winter barley	20 Sep	80	76	72	77	0.37
Winter rye	10 Oct	75	69	87	84	0.20
Winter wheat	20 Oct	65	88	74	75	0.15

[dt--deciton = 100 kg]

Source: K. Herrmann, "Requirements for the Processes of Wheat Production and their Mechanization," GETREIDEWIRTSCHAFT, No. 11, 1984, p 251. R. Bernard, "Late Seeding Reduces Yield," NEUE DEUTSCHE BAUERNZEITUNG, No. 33, 1984, p 4.

Table 1, for the year 1982 alone, for example, shows arithmetically an absolute yield loss of more than 7,500 metric tons per day of delayed seeding for the three wheat varieties given. Here we must not overlook the fact that the use of identical agricultural-technical deadlines both for all locations and for the individual years is only inadequately geared toward tapping the particular reserves. Considering the specific territorial conditions, as well as the annually varying phenological development, agricultural-technical deadlines should be determined specifically in terms of species, varieties, locations, and years even better than this has been done so far and should be made the foundation of practical work.

Another problem involved in the better and more thorough utilization of nature in agriculture is represented by the arrangement of the crop sequence. The time sequence and, to a certain degree, also the local parallelism in the planting of the various agricultural crops result in a large number of effects upon the level of the yields as well as the efforts necessary to achieve those of the basic principles of scientific crop sequence arrangement are mostly connected with the inadequate utilization of nature, the more frequent appearance of harmful viruses, plant diseases, and weeds that are difficult to control, as well as increased expenditures that do not yield any additional output. Progress in the utilization of the crop sequence effects has become visible, especially over the past 3 years due to greater stability in the organization of the LPG [agricultural producer cooperatives] and VEG [state farms], due to the better utilization of in-house reserves and greater effectiveness of agricultural production.

The use of scientifically-based, more stable crop sequences is extremely important for the more effective utilization of nature and thus also for an increase in crop production, coupled with a reduction in the specific expenditure. On the one hand, this directly opens up vast production reserves and, on the other hand, one can achieve a series of expenditure-reducing effects. It is the goal of crop sequence planning to keep any disturbances in the biological equilibrium as small as possible. The smaller these equilibrium disturbances, the less will

be the expenditure in terms of labor and assets for the purpose of blocking any yield-reducing factors. Reproducing so as to save assets therefore means that one must pay more attention to these natural relations. This aspect moreover is further backed by the fact that the resistance of such damage-causing factors as harmful insects, fungal viruses, bacteria, and other viruses against pest control agents grows rapidly. These factors especially underscore the significance of scientific crop sequences in crop production. Besides, it now becomes clear that it is necessary in plant protection strategy more quickly to switch to what is called "integrated plant protection," i.e., the more effective combination of organizational, breeding, biological, physical, and chemical measures in an effort to reduce yield losses more effectively, to lower the required expenditure, and to avoid any impairment of the environment.

The utilization of natural forces is playing a growing role in reducing the expenditure of assets in agricultural production. Karl Marx already assigned a great economic effect to the utilization of natural forces. "Constant capital can be released without devaluation if--through improvements, the use of natural forces, etc.--a constant capital of lesser value is enabled technically to perform the same service as a higher-grade capital did before." (Footnote 6) (Ibid., Vol. 25, p 127) An example from animal production is intended to make it clear that it is not the "neutralization" of natural forces and conditions but rather their efficient employment that facilitates greater effectiveness and can contribute to the desired expenditure reductions: most of the total energy consumption needed to guarantee favorable animal-keeping and environmental conditions is used up above all in modern installations with a high animal concentration (but partly also in those with medium concentration). Initial practical results show that considerable savings are possible both in terms of current and in terms of one-time expenditures also under such conditions due to the utilization of natural processes and factors if the laws of aerodynamics are used and if the possibilities of heat recovery are employed at a high scientific level. Savings of 80 percent of the electric energy consumption and 90 percent of the investment expenditure for the ventilation component or also 70 percent of the total energy expenditure were achieved for example in various animal production installations.

In addition to these and similar possibilities for the better utilization of natural forces aimed at more effective agricultural production, lasting and repeatable growth and effectiveness sources in agriculture are tapped above all when the potentials of natural resources represented by soil, plant, animal, and microorganism are increased in a specifically goal-oriented manner and are exploited much more thoroughly. Here, the full utilization of the potentials of natural resources depends especially on the effectiveness of the subjective factor, on the scientific discovery and mastery of natural processes, as well as on the effectiveness of agriculture's material-technical base.

On the Utilization and Further Development of Agriculture's Material-Technical Base

The makeup, efficiency, and structure of the elements of the agricultural material-technical base to a great extent influence the effectiveness of nature as well as the level and structure of necessary expenditures. Goal-oriented

utilization and the further development of technical agricultural equipment and of chemical application agents are particularly important in terms of the more effective utilization of nature. On the one hand, the course of the natural metabolism processes is influenced directly with their help; on the other hand, they have great quantitative and qualitative dynamics in their development. There are above all four aspects that are particularly important in the utilization and development of agricultural equipment.

First of all, nature can be utilized better if the capacity of the equipment guarantees the more accurate compliance with more favorable agricultural-technical deadlines and with time intervals that are more specifically determined as regards the zootechnical aspects. This calls for a corresponding machinery and equipment capacity as well as a high equipment availability and reliability level. The necessary capacity should also include corresponding reserves because, depending on the weather, the scope of work to be done and the time intervals available for this will also vary. The optimum between the level of equipment coverage and deadline compliance has changed under the altered reproduction conditions. Today, reducing losses--for example, by doing a better job in meeting deadlines--is at least as important as the direct output increase. In addition to more efficient special equipment, multipurpose equipment and universal machines or also machine parts and structural components are assuming greater significance from the viewpoint of greater basic assets savings.

Second, we must do a better job in reducing and increasingly preventing undesirable side effects deriving from the use of equipment. Reducing the pressure exerted upon the soil by mobile farm equipment in crop production and, to a certain degree, also the reduction in the side effects of mechanization in animal production which impair the health and productivity of animals are decisive here. Soil compacting due to damage can be corrected only as a result of a great effort in terms of human and materialized labor, above all with a very high energy expenditure. A lesser expenditure however is required when the pressure on the soil has been reduced in advance by means of organizational, technological, and technical measures. Besides, one can then prevent the impairment of the soil's productivity.

Table 2. Effects of Wheel Pressure on Soil Properties, Yield, and Quantity of Harvested Crops

	No Vehicular Movement	Tractor's Wheel Pressure ZT 300 K700 Rv	K700 Sb
Soil water conductivity (m/d)	2.67	0.60	0.36
Potato yield (percent)	100	78	62
Sugar beet yield (percent)	100	-	82
Summer barley yield (percent)	100	-	90
Share of potatoes with more than 40 mm diameter (percent)	85	80	78
Share of bony beets (percent)	18.4	-	46.1

Sb--standard tires

Rv--wider wheels

Source: D. Ermich, B. Hofmann, "We Welcome Anything that is Kind to the Soil,"
NEUE DEUTSCHE BAUERNZEITUNG, No. 11, 1984, p 4.

The basic rules of soil-sparing work are being applied increasingly in the employment of agricultural equipment. Equipment is driven over the soil only if the soil has dried out adequately; the specific pressure upon the soil is reduced by means of double tires and by reducing the inside tire pressure; unnecessary trips carrying loads and deadhead runs on arable soil are avoided from the very beginning by the way in which the fields are laid out; the combination of machinery and equipment as well as properly coordinated working widths can help reduce the frequency with which equipment is driven over the fields. Reducing the number of trips by heavy transportation equipment deserves even greater attention, in particular, because this heavy equipment leads to considerable compacting and structural damage.

A major point in the perfection of equipment used in animal production consists in the improvement of fodder dosing accuracy. Currently prevailing deviations from the planned energy and nutrient quantities are by far greater than the adaptability of the animals would permit. This does not fail to have an effect on performance, animal health, and the effectiveness of fodder utilization. New dosing principles must be used to make sure that the planned energy and nutrient quantity will actually reach the animal or the corresponding group of animals. This is connected with considerable output-increasing expenditure-reducing, and effectiveness-improving effects.

Third, the way in which agricultural equipment can be adapted to differing operational conditions plays an ever-greater role. The level which has been reached here shows clearly that both the utilization spectrum of agricultural equipment and its modifiability do not adequately meet the differing operational conditions. At the same time, greater variety of types and variations in the equipment would have a positive effect on the better utilization of all available resources. This concerns especially equipment utilization under various weather conditions, the gathering of different levels of yields, as well as differentiated geographic conditions. In livestock production, for example, feeding equipment should be so modifiable that--corresponding to the harvest results in crop production--various types of fodder can be used and assimilated effectively.

Table 3. Compliance with Feeding Requirements in Terms of Days and Individual Fodder Conveyor Belts

	Fodder Quantity Actually Dosed (Standard Requirement = 100)	
	by Days	by Fodder Issue Stations
Green forage	104.4 - 138.5	44.4 - 333.1
Wilt ensilage	60.7 - 147.2	54.2 - 435.0

Source: H. Fitzthum, M. Weber, "Investigations on the Improvement of Fodder Utilization under the 1930 Supply Project," AGRARTECHNIK, No. 1, 1984, p 28.

Fourth, the utilization of natural forces for the purpose of procuring energy, at least within certain processes and certain locations, represents a genuine alternative to the energy forms used until now, if corresponding technical solutions are available for this. The simplest possible solutions are wanted for the purpose of making use of these natural forces (solar energy, wind energy, water power). This also applies to technical solutions aimed at the recovery or utilization of secondary energy. These possibilities can be implemented in practice in agriculture at a fast pace only if this brings about improvements in operational effectiveness. As a rule, however, the use of brown coal and electric energy by agricultural enterprises is still connected with a lesser expenditure than is the use of natural forces and secondary energy. This is why the utilization of these alternatives should be stimulated much more from the viewpoint of the overall national economic equation.

The implementation of the resources-saving type of intensification, which simultaneously is connected with a reduced environmental stress, calls for an efficient combination of the effects resulting from the use of nature and the application of agricultural chemicals. Effectiveness losses appear in agricultural production whenever the effective combination of agricultural chemicals with each other and with the other intensification measures is inadequately mastered and when chemical agents are used to compensate for the insufficient exploitation of nature. The important thing is to utilize all free services provided by nature as much as possible and to enhance those services through the use of agricultural chemicals. This means that certain agricultural chemicals, whose effectiveness is no longer sufficient today, must be replaced; the quality of most of the presently used agents must be improved and the reciprocal relationships between nature and the use of chemical agents in agriculture must be explored and exploited even more accurately.

Specific Conditions Call for Differentiated Solutions

In the real agricultural reproduction process, nature appears not just in the form of soil, plant, animal, water, or weather, but always as a very specific concrete phenomenon. Table 4 shows some of this versatility, starting only with the soil. Other factors relating to specific locations, such as, for example, the relief, climate, and phenology, increase the versatility of the specific production conditions.

Table 4. Size of Various Location Groups and Their Shares in the Agricultural Utilization Area of the GDR

Location Group	Surface Area 1,000 ha	Share of Agricultural Utilization Area (Percent)
1 Sandy sites far from under-ground water	417	6.6
2 Sandy and deep loam sites	532	8.5
3 Deep loam and loam sites	960	15.3
4 Deep loam and loam sites with stagnating water	645	10.2
5 Flood plain loam sites	333	5.3
6 Flood plain clay sites	133	2.1
7 Low moor sites	476	7.5
8 Underground water sand sites	588	9.3
9 Black-earth sites	767	12.2
10 Brown loess sites	369	5.9
11 Loess sites with stagnating water	224	3.6
12 Deep-base mountain loam and mountain clay sites	277	4.4
13 Mountain loam sites with stagnant water	439	7.0
14 Mountain loam sand sites	133	2.1

Source: According to Schmidt, Kugler, Richter, Ewert, ARCHIV ACKER-UND PFLANZENBAU UND BODENKUNDE (Archive of Crop Farming and Plant Cultivation and Soil Science), 22, 1978.

In addition to other differences, the various soil sites are an important point of departure for necessary differentiations in the intensification directions and measures. A very special soil location, a crop and an animal that are very specific in terms of type, development level, and productivity must always be used more effectively. The other natural resources and conditions can also be used to a different degree in terms of place and time.

The more effective utilization of nature is a basic requirement for the new quality in agricultural intensification. Paying more attention to and fully utilizing the particular specific conditions thus fashion the further intensification of agriculture. This means that greater differentiation is necessary in terms of the directions of intensification. The way we consider the differentiated conditions under which nature is being utilized will essentially decide the output and effectiveness growth and thus also the tempo of comprehensive intensification.

The more effective utilization of nature also calls for greater flexibility in work organization. In keeping with the way in which the weather develops specifically, we must in each case aim at the optimum combination of elements

of the production process, especially human labor and basic assets, in order, on the one hand, to make maximum use of the most favorable deadlines and, on the other hand, to ensure a high degree of work capacity and basic assets utilization. This creates higher requirements in terms of the flexibility of the managers and the availability of cooperative farmers and workers in agriculture.

The more comprehensive utilization of nature in the reproduction process of agriculture at the same time calls for greater complexity of intensification measures. Output and effectiveness growth depend decisively on the way in which we manage to create all of the conditions required to achieve a high output. If we disregard just one factor, if we cause only a single gap in the intensification process, there is the danger that the possible result cannot be achieved with the help of the other measures--and that for the most part includes expenditures that have already been made. If we can ensure a high degree of complexity in the intensification measures, we will find that combination effects will furthermore emerge from the interaction between the various intensification factors.

Great results can be achieved if the yield-increasing and performance-improving measures are combined in an optimum fashion and if they are differentiated according to the type of soil, the weather, plant growth, the output and development level of the animals, as well as the scope of the result-reducing influencing factors which must be averted. Work based on field-related maximum-yield or stable-related maximum performance concepts is in keeping with these requirements. In this way we are implementing a new quality of production management which will be field-related in terms of specific crop types or stable-related in terms of specific animals. This type of management is based on a thorough analysis of the results and of the essential factors that determine the yield and the performance, both according to enterprises, sectors, divisions, and brigades and according to crop types and fields or animal species and stables. These concepts offer new possibilities for a closer tie-in between science and practice and represent a main area for the transfer of scientific-technical progress. It is especially the guarantee of greater differentiation and complexity of intensification measures that makes management documents of this kind increasingly indispensable today. The practical application of these concepts proved that high yields and performances can be achieved along with rising effectiveness if the particular production method is being mastered in keeping with the specific location and the specific animal. The most favorable measures must be spelled out on the basis of the differing soil properties and the particular, very specific state of the soil, the development of the crop inventory, and the productivity of the useful animal. A stereotyped approach in the form of identical methods applied in all fields and in all stations will make only inadequate use of all of the potentials offered by natural resources and is connected with a higher specific expenditure.

The better utilization of the differing yield, performance, and effectiveness potentials creates new requirements in terms of the collection and processing of data on the actual states of the factors that determine the yield, the performance and the expenditure. Satisfactory results cannot be achieved only by a visual and manual evaluation and by the analysis of individual properties

of natural resources. The spectrum of obtainable data as well as the data density can be expanded considerably through the use of microelectronics. This offers many different possibilities for doing a better job in meeting the biological requirements of plants and animals. Here it is not always enough to obtain more exact data only at certain periodic intervals; it is necessary moreover specifically to spell out the scope and the most favorable deadline for the particular intensification measure directly at the place of utilization. This requires mobile technical and material aids, especially measurement and analysis instruments, as well as reagents. In this respect it would be good for the further intensification of agriculture to determine the requirement for such fast detection instruments via a central design and to facilitate or increase their supply on short notice.

Data procurement however is only one aspect of the specific differentiation of intensification measures. At the same time it is necessary better to adapt agriculture's material-technical base to the differing natural conditions both between the territories and depending on the weather. This can involve more productive varieties also for some of the poorer sites, varieties with a greater tolerance for dryness, breeds that are better able to assimilate available fodder, as well as greater variety in the types and versions of farm equipment. The LPG and VEG themselves are making a great contribution to the adaptation of farm equipment to the specific production conditions. But this very often requires a very great effort in terms of design work. Above-enterprise rationalization equipment construction in agriculture has proved itself here likewise. It would be good in terms of improving the ratio between expenditure and result if the farm machinery and tractor construction industry would in the future guarantee a greater assortment of models and if it were possible to provide for less expensive conversion and accessory facilities already during the design phase. This also is determined by the ultimate users of farm equipment. Farm equipment could then be better adapted to the corresponding conditions through accessories, exchangeable tools, and other modifications. This would have a good effect on the yields and the specific expenditure due to the more precise compliance with agricultural-technical deadlines.

Measures aimed at better utilizing nature for the sake of a dynamic growth of production and effectiveness have differing effects on the economy of the individual expenditure types and call for expenditures that differ in terms of their levels and their structure. It is absolutely not true that a rise in the yield indexes can in every case be achieved without any additional expenditure in terms of social labor. The following groupings can be set up with respect to the necessary expenditures for the more effective utilization of nature.

The first group could include measures which, for example, call for the better utilization of crop sequence effects and more favorable variety selection and which do not require any additional asset expenditure but which can even lead to a reduction, above all, of current expenditures and to the rise in production results. These measures must be used quickly and even better at every location.

In the second group we can combine means and methods which with a relatively minor expenditure already contribute to the better utilization of the differentiated conditions. This calls for certain aids to be used in determining the

specific actual conditions. Through greater differentiation of expenditures, through their consistent orientation towards an individual field or part of a field, or toward the particular group of animals and the individual animal, one can even produce a given quantity with less expenditure or one can achieve a greater output with the same expenditure. In the process, the specific production consumption goes down and the effectiveness goes up.

A third group comprises measures which call for a major, one time expenditure for the sake of the better utilization of nature. This expenditure can even be greater than the output increase and can thus have an asset-intensive effect but leads to significant specific and partly also absolute savings in current expenditures. These measures most of the time have a long-term effect. Here we might list, for example, possibilities of output-oriented feeding by means of automatic animal identification, the increase in the number of certain specific pieces of machinery and equipment in order better to comply with agricultural-technical deadlines, engineering solutions aimed at the utilization of natural forces, as well as environmental promotion measures which will have a positive effect on the intensification process in agriculture.

All of these measures are important to the transition to the new quality of intensification. Their practical application depends on the specific conditions. Measures which can be implemented without any major asset expenditure and which in particular require greater effectiveness on the part of the subjective factor must above all be quickly applied on a broad scale.

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AGRICULTURE

POLAND

CHANGES IN AGRARIAN LAND USE PATTERNS DURING 1981-84

Warsaw NOWE ROLNICTWO in Polish No 7-8, Jul-Aug 85 pp 6-9

[Article by Anna Szemberg: "Land-Use Management and the Agrarian Structure: 1981-1984 Balance-Sheet"]

[Text] More economical land-use management was a characteristic feature of the period. The amount of farmland lost was 41,000 hectares (during the preceding 3-year period, it was approximately 81,000 hectares). (Footnote 1) (The statistical material for this part of the article comes from farm records and GUS statistics on the turnover of PFZ lands). This was related both to the curtailment of capital spending projects and to the stiffening of protective regulations. It likewise emanated from the growth of social concern and responsibility for the land. At present there are 0.52 hectares of farmland per inhabitant.

In the sector structure of land utilization, the changes were insignificant and not multipurpose. The net result of these changes was that arable land on the private farm increased by 1.9 percent and arable land in the socialized sector decreased by 6.4 percent. The largest decline (about 50 percent) occurred in land area on the group farms of farm circles, i.e., in that form of management whose economic results were the most negative on the overall scale. The relative losses on PGR's and RSP's were far lower (4 percent and 10 percent respectively). The setting in order of land-use management and the related transfer of lands from socialized enterprises to the PFZ's are primarily a consequence of the new economic-financial system. As a result, the share of farmlands by sector changed in the following manner (in percentages):

Table 1. Changes in the Share of Farmlands by Sector (in percentages)

<u>Sector</u>	<u>Year</u>	
	1981	1984
private farm (including plots)	74.9	76.4
state farms	19.4	18.8
socialized production farms	4.1	3.7
KR group farms	0.9	0.5
nonfarm state lands	0.7	0.6

Land turnovers between PFZ's and all of agriculture exhibited a decline from year to year. This trend was impacted by declines both in earnings and expenditures (in thousands of hectares of arable land):

Table 2. Decline in Socialized and Private Farming Income and Expenditures From 1981-1984

<u>Item</u>	<u>Year</u>			
	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
total earnings	303	145	97	97
including:				
socialized farms	263	108	54	33
private farms	45	37	43	59
total farm expenditures	189	263	122	84
including:				
socialized farms	24	23	20	17
private farms	165	240	102	67

Income into the PFZ's dropped as a result of two phenomena: 1) a sharp drop in supply from socialized farms; 2) the low level of supply from private farms maintained over the entire 4-year period.

With regard to land disposal, socialized farming continued to hold its minor position; on the other hand, sales for private farmers declined systematically.

The source of such trends was the reduction to a minimum of the reserves of free lands in the PFZ's and the increasing dependence of annual turnovers on sales volumes. As a consequence of this, the role of PFZ lands in the improvement of the agrarian structure of private farming is declining. While the positive balance of turnovers between the PFZ's and private farms was maintained for the entire period, its volume declined very significantly from 203,000 hectares in 1982 to 59,000 hectares in 1983 and 8,000 hectares in 1984.

The reduced volume of the sale of lands to private farmers was impacted by various factors that I am taking from a Food Industry Bank report (Footnote 2) (A BGZ report dated 25 January 1985 on the sale of lands, repayment of credit and state of costcutting efforts):

- the overall reduction in the reserves of PFZ lands together with the simultaneous reduced influx of new lands designated for sale,
- the significant distance of a part of PFZ lands from economic centers, their extensive breakup, the lack of access roads and poor soil quality, all of which complicate or prevent their sale,
- competition for the use of PFZ lands for rental as opposed to their purchase,
- the high price of land and buildings,
- in some regions, the temporary delaying of farmers from purchasing land related to the enactment of the new system for taxing lands,
- the overly long wait on the part of cooperative banks for a decision to be issued by gmina managers establishing candidates for purchase and the delayed submission of measurement-classification documentation.

Not all of the reasons listed were of equal importance in the decline in the sale of PFZ lands. In light of the results of 1984 IERiGZ studies, the low volume of the sale of these lands was of major significance (in many villages, and even entire microregions, no sales of lands to the PFZ took place).

During the period under scrutiny, the major designation of lands purchased from PFZ's was for the increase in the size of existing farms. The volume of new farming on PFZ lands declined from year to year: in 1982, 6,500 such farms were opened up; in 1983, 4,000 began production, and in 1984, the number was 2,800.

The total reserves of PFZ lands are on the decline. However, this decline, which is related to the structure of the utilization of these lands, is relatively minor. Between 1981 and 1984, PFZ land reserves dropped by 18 percent (from 993,000 to 816,000 hectares). In their utilization structure, the most important item is rental (58 percent of the reserves). Among the renters, private farms predominate (94 percent of the rental lands, i.e., 441,000 hectares). Moreover, 153,000 hectares of this land was used for farming, of which 105,000 hectares was for the lifetime utilization of annuitants and 48,000 hectares was used by private farmers without a contract. This left 192,000 hectares (24 percent of the total lands) under the direct administration of PFZ's, of which 88 percent were the poorest lands, primarily forest that is not suitable for farming. As this shows, the PFZ's no longer have any "free" land reserves.

The declining supply of PFZ lands, coupled with the continuing demand for land, led to an increased interest by farmers in private turnovers. The following illustrates the structure of such turnovers:

Table 3. Structure of Private Land Turnovers From 1981 to 1984

<u>Year</u>	<u>Number of Purchase/Sale Transactions</u>	<u>Number of Gifts</u>	<u>Price per Hectare of Land</u>
1981	24,465	8,002	37,900 zł.
1982	24,473	10,952	75,600 zł.
1983	25,697	13,361	118,000 zł.
1984	28,615	16,259	137,000 zł.

Source: data from the Ministry of Justice and GUS

Private land turnovers clearly increased: the number of purchase/sale transactions rose by 16 percent and the number of gifts doubled. On the other hand, the sharp increase in the price of land from 1982 and 1983 was halted in 1984 and more or less corresponded to the increase in the cost-of-living index. The imbalance between the great demand and the meagre supply was a characteristic feature of private farmland turnovers that held through the entire period. A basic factor restricting supply was Poland's overall economic situation.

Agrarian Structure

(Footnote 3) (In this section, both data from GUS volume statistics (to illustrate quantitative changes) and the results of the 1984 IERiGZ studies (to illustrate the mechanisms of change and the attitudes of farmers) were used. IERiGZ polls are conducted every 3 years in 187 villages of Poland (approximately 20,000 farms and nonfarm families). The study group is representative of the private farm both on the national level and on the level of particular regions.)

The most characteristic feature of the 1981-1984 period was a sharp halt in the process of the reduction in the number of farms. While from 1978 to 1981, the drop in the number of farms was 6 percent, in the last 3 years it was 1 percent. This trend was a general one manifested in all regions of Poland. In terms of land use, the loss of farms ranged between 1 percent and 2 percent (previously it ranged between 5 percent and 8 percent). In the most heavily parceled out regions of southern Poland, the number of farms remained stable. The overall economic situation and continuing difficulties on the food market impacted this trend markedly. These circumstances led farmers to keep their farms as economic security and a source of food supply. At least three other factors helped to cause stagnation in the number of farms: low farm pensions, the expected change in the orientation of the younger generation and the severely curtailed migration of entire families related to the liquidation of the farmstead.

Despite these unfavorable conditions for improving the structure, tendencies toward land concentration still continued (table 4 and table 5). On the national level, the number of farms of over 10 hectares rose by 7 percent, causing an increase in their share from 15.1 percent to 16.3 percent, and an increase in the share of arable lands held by them from 40.5 percent to 44.1 percent. This trend likewise was a general one, except in the case of the southeastern region. The number of large farms increased in the regions from 6 percent to 13 percent, and the greatest structural effects were attained there where the agrarian structure was the most favorable from the start (in the northern, west-central and northeastern regions).

In the groups where the area was less than 10 hectares, the universal trend was a decline in the number of farms. This was strongest in the 2-to-5-hectare group. The farms in this group yielded to relatively the most rapid selection, especially in regions with the best agrarian structure. Trends in the group under 2 hectares differed from this. In most regions, the number of these farms remained stable. This may be viewed as a manifestation (albeit a very weak one) of the polarization of the structure, with growth at the poles and a decline in the middle groups.

The improvement in structure demonstrates that the great demand for land has continued. From 1981 to 1984, the area of 13 percent of farms increased as compared to a 15-percent increase from 1978 to 1981. It should be stated clearly that it was possible to realize demand primarily because the land supply in private turnover was supported strongly with PFZ lands (409,000 hectares). Now a few words characterizing supply and demand. Demand focused

basically on the intermediate-area groups (5 hectares to 10 hectares), while supply came primarily from farms smaller than 5 hectares. In addition to the area criterion, other clear divisions also were manifested that depended upon the age of the farm manager, the prospects for continuity on the farm (a successor) and the level of farm investment, particularly with the means of technology. In some rural areas and microregions, the "supply-demand" line of demarcation runs between farmers and the dual occupation populace, with a great demand on the part of farmers and a meagre supply from the dual occupation populace. In the demand incentives, attention is given to an increase in the economic and efficiency-directed thinking of farmers (an increase in the production scale, costs reduction, specialization potential, the more efficient use of machinery and buildings and the like). Engineering incentives are of great significance. For some farmers that increased their area, the primary goal was to obtain the minimal area boundary necessary for being allotted a tractor or machinery. At the same time, it is not merely a question of reducing labor and increasing productivity, but of encouraging or keeping a successor.

Table 4. Changes in Agrarian Structure According to Farm Records Nationwide

Item	Total	Farm Area Groups in Hectares				
		<u>.51-2</u>	<u>2-5</u>	<u>5-7</u>	<u>7-10</u>	<u>10 and more</u>
Number of farms in thousands						
1978	3065	935	926	395	389	420
1981	2866	859	840	364	370	433
1984	2843	856	805	354	365	463
Change in the number of farms						
1981						
(1978=100)	94	92	91	92	95	103
1984						
(1981=100)	99	100	96	97	99	107
Farm structure						
1978	100.0	30.5	30.2	12.9	12.7	13.7
1981	100.0	30.0	29.3	12.7	12.9	15.1
1984	100.0	30.1	28.3	12.5	12.8	16.3
Structure of arable lands						
1978	100.0	7.3	19.7	15.1	20.9	37.0
1981	100.0	6.5	18.4	14.1	20.5	40.5
1984	100.0	6.1	17.1	13.3	19.4	44.1

Source: 1980 and 1982 Statistical Yearbooks and the results of the 1984 Farm Record published by the GUS publishers, entitled "Zroznicowanie skali i natezenia chowu zwierzat gospodarskich w indywidualnych gospodarstwach rolnych w 1984 r." [Differentiation of the Scale and Intensity of Farm Animal Husbandry on Private Farms in 1984].

Supply incentives lie primarily in the demographic sphere (solitude, lack of manpower, some handicap and the like); more rarely is land supply the result of a decision related to working for pay.

Table 5. Changes in Agrarian Structure by Region

Macroregions	Years	Total	Percentage of farms in area groups (hectares of UR)						Changes in total number of farms	
			0.51-2	2-5	5-7	7-10	10 i wiecej	1981 r. (1978= =100)	1984 r. (1981= =100)	
West-central	1978	100.0	27.8	20.7	10.8	16.1	24.6			
	1981	100.0	27.5	20.2	10.0	16.0	26.3	94	98	
	1984	100.0	26.8	19.1	9.5	15.4	29.2			
Central	1978	100.0	21.8	30.0	18.0	16.8	13.4			
	1981	100.0	21.6	28.6	17.6	17.2	15.0	95	99	
	1984	100.0	22.5	27.3	16.3	17.6	16.3			
East-central	1978	100.0	19.0	31.5	18.8	16.4	11.3			
	1981	100.0	18.3	32.1	18.5	17.8	13.3	94	100	
	1984	100.0	18.9	30.0	18.1	17.9	13.1			
Southeastern	1978	100.0	35.7	42.3	12.5	6.7	2.6			
	1981	100.0	34.2	42.0	13.1	7.3	3.4	93	101	
	1984	100.0	34.3	41.4	13.0	7.9	3.4			
Southern	1978	100.0	51.7	29.0	8.3	6.7	4.3			
	1981	100.0	51.3	28.9	7.9	6.7	5.2	92	98	
	1984	100.0	50.7	28.5	8.3	6.8	5.7			
Southwestern	1978	100.0	40.4	21.1	8.9	14.8	14.8			
	1981	100.0	41.6	20.4	7.7	14.0	16.3	93	98	
	1984	100.0	41.9	19.4	7.8	12.9	18.0			
Northern	1978	100.0	31.8	17.4	5.8	13.8	31.2			
	1981	100.0	32.8	16.9	5.3	12.2	32.8	95	98	
	1984	100.0	32.6	14.7	5.4	10.9	36.4			
Northeastern	1978	100.0	15.2	17.8	11.5	17.5	38.0			
	1981	100.0	15.1	17.1	11.5	16.7	39.6	95	99	
	1984	100.0	16.5	15.3	10.0	15.7	42.5			

During the next few years, the demand for land will be below its previous level. In 1984, 9 percent of farmers reported an increase in area as compared to 17 percent in 1981. The following are the causes for the declining demand for land, based on the opinions of those farmers that responded to the institute poll, listed according to frequency of occurrence:

- lack of land--54 percent
- demographic phenomena--53 percent
- unprofitability--30 percent
- shortage of technology--24 percent
- dual occupations of populace--19 percent
- patchy landscape--8 percent

In some of the rural areas studied, the land shortage already had occurred by 1981. At present, it is occurring on a considerably broader scale, or will do so in the near future. In many rural areas, this phenomenon is so clearcut that it is termed "land poverty." It appears to be so enduring that some farmers even have stopped declaring their intentions to increase their area, recognizing that "the situation is hopeless." The converse situation (there is land but no demand for it) is rare.

As the preceding data shows, the demographic situation has a very important impact on reducing the demand for land. In many rural areas, the process of the aging of farmers continues and the group of farms without heirs is growing. Both phenomena apply primarily to smaller farms, to rural areas whose land is broken up but whose population is not markedly a dual occupation one. This is not synonymous with the migration of young people away from the village. The typical situation is that there are young people in the village, but most of them do not want to be associated permanently with farming and they consider their stay in the rural area to be a transitional stage. This is expressed in the very great pressure to acquire a nonfarm profession and find a paying job and in their unwillingness to take over the farms.

According to the answers given by those responding to the IERIGZ poll, the reasons for such attitudes are the following: the strenuous, substandard and low-paying work, considerably worse living conditions, the lack of prospects for private farms (especially small ones), management problems (poor procurement and poor service), the low social prestige of the farmer's profession, problems with establishing a family, the lack of attractive ways to spend free time and the like. By comparison with the results of earlier studies, this one notes the growing receptiveness of the younger generation to the entire picture of socioeconomic living conditions, on the one hand, and the lack of faith in the possibility of attaining working conditions on private farms that are comparable to those on socialized farms or in other branches of the national economy, on the other hand.

All this shows that, following a brief period of some improvement, we are once again threatened with regression in the demographic situation. This is not merely a hypothesis. Both stagnation in the number of farms and the situation in the area of generational succession have a markedly negative impact on the demographic structure.

In light of the GUS statistical data, there has been a fundamental curtailment in generational transfers for 4 years. While from 1978 to 1981, an average of 77,000 farms per year were transferred to heirs, during the last 3-year period, this was cut by one-half (37,000 farms). This means that each year, only about 9 percent of the farmers of retirement age transferred their farms to successors, and it puts the rate of generational transfers compared with the total number of farms below 1.4 percent. The continuation of such a slow rate of generational transfer in the future will not ensure an increase in the share of young farmers.

The phenomenon of farms without successors is closely related to the prospects for improving the area structure. The supply of land for the PFZ essentially emanates from this group. GUS data from the past few years demonstrates that each year the number of farms transferring land to the PFZ is growing: in 1982, there were 5,240 such farms, in 1983 there were 6,386 and in 1984 there were 9,000. However, can we expect the continued rapid growth of the supply of land into the PFZ? The results of the IERIGZ studies answer this question. The reduction in the percentage of farms without heirs (from 14 percent to 8 percent) recorded from 1978 to 1981 turned out to be a transitional, short-lived phenomenon. In 1984, the number of such farms once again rose, reaching its current level of 16 percent of the total.

Many older farmers that counted on having their farms taken over by someone from the younger generation have been deluded. However, we cannot expect a rapid drop in farms without successors. This is suggested by the plans of farmers that differ quite substantially at present from their plans in 1981. Formerly, 60 percent of farmers without successors replied that "they have not decided what they will do in the future with their farm." Now the number of such answers is small, while a group of farmers has arisen that clearly has decided to "work the farm as long as possible" or "until the end of my life." This attitude is characteristic of about 30 percent of the entire group. Every fourth farmer without an heir has announced the liquidation of his farm by 1987. The others plan to farm beyond this time. Many of them are trying to sell (or lease) their land privately, counting on the high prices (rents) they can obtain under conditions of an imbalance between supply and demand. Some are transferring their land in the form of gifts in exchange for lifetime care and assistance. Related to this, the number of farmers that are liquidating their farms within the framework of a private turnover is growing. From 1981 to 1984, the percentage of such farms reached 68 percent of the total number of farms that were liquidated (from 1978 to 1981 this figure was approximately 50 percent). Such an action is economically justified, especially in the smaller area groups. The interest on the amount of sale, rental fees or life estates afford better security for old age than farm pensions, especially since in many cases we are dealing with persons that have employee pensions. This shows that it is uncertain whether the increase in the number of successorless farms will be equivalent to the growth of the supply of land into the PFZ. Nor can the previously quoted GUS data be the basis for excessive optimism. Nine thousand farms transferred yearly into the PFZ represent less than 2 percent of all farms without heirs of this type. This means, on the one hand, that a large number of poor farms without prospects for development will go on and that lands that could help to improve the structure will be cut off, on the other.

The Potential for Accelerating Structural Improvement

The restoration of economic health throughout the entire national economy is basic to stepping up structural improvement. Only in a balanced economy will the economic mechanisms on which the policy of structural change should be based be able to operate effectively. This does not mean, however, that under present conditions we can abandon all efforts to facilitate and hasten these changes to some degree. Changes in agrarian structure are a long-term process that may be strengthened or weakened periodically but that never can disappear from the field of vision of policy.

The next general issue underlying an improvement in agrarian structure is migration. It should be stated clearly that an improvement in structure requires broad possibilities for migration. At the same time, it is important for agrarian changes whether the migration takes place only (or almost only) in the form of migration of the individual (the farmstead remains but the crew declines) or whether in addition to individual migration, there is also the migration of entire families together with the liquidation of the farm.

The current situation may be characterized in the following way: the balance (Footnote 4) (the difference between the influx and outflow) of migration in rural areas (Footnote 5) (Due to a lack of data on migration from private farms, we are presenting data on migration from rural areas.) continued to be negative during the past few years, although it clearly was less than before. The rate was 200,000 in 1980, 171,000 in 1981, 148,000 in 1982 and 139,000 in 1983.

The reduction in migration is a temporary phenomenon, related to the overall economic situation. As we emerge from the crisis and as the investment rate increases, the wave of migration again will rise. Every increase in the near future will be felt more severely in farming than previous increases, for the number of age groups reaching production age will be lower. More difficult to resolve and more unfavorable from the viewpoint of structural improvement is the fact that individual migrants dominate in the overall migration from farming, while the migration of families was and still is negligible. I do not envisage a possibility for a change in this situation during the next few years. Consequently, we must recognize that under our present circumstances, this is a factor that will hamper agrarian change permanently.

The problem of the technicalization of farming is related closely to the migration issue. As is known, the migration of people requires that human labor be substituted for by machine labor. The overly slow rate of the invasion of technology into farming, long-term stagnation in the number and area structure of farms and intensive migration have led to a situation where many farms have weakened for lack of manpower. At the same time, we cannot allow this situation to recur in the future. This demands that in the field of machinery, tractors and equipment, a consumer's market be created that will facilitate extensively all forms of the joint purchase and utilization of machinery as well as radical qualitative improvement in the field of services.

As for operations within farming itself, the most important task at present is to activate the supply of land. Older farmers without successors should be

provided with economic incentives to turn over their land. Despite an increase, farm pensions are too low and do not fulfill the legal requirement in relation to employee pensions (90 percent of the lowest employee pension).

A factor stimulating the supply of land would be a clearer differentiation in the amount of farm pensions than that stipulated in the law. Farmers that turn over their land to the PFZ should receive considerably higher pensions, since their situation (often they lack close family and a family economic base) generally is worse than that of persons that transfer land to heirs.

Activating the supply of land would require that every farmer, regardless of whether he has any successors, be given a free hand to dispose of his farm. The disposal of land in a private turnover should not deprive a farmer of his right to a pension (if only a minimum one) or to the return of his contributions, something not provided for in the current law. There are no grounds for assuming that private trade yields worse results than PFZ intervention for improving the structure, especially since the totality of land trade already is partly regulated (and will be regulated more and more effectively in the future, I expect) by economic mechanisms that require no administrative "correctives." In order to stimulate the supply of land, it would be possible, if only temporarily, to depart both from the minimum sale requirement and from the requirement that the value of a farm may not be lowered during the last 5 years before its transfer in the event that a farmer has decided to turn it over to the state. Experience shows that on many farms that have no heirs, disinvestment processes occur rapidly and it is difficult to determine how much the farmer himself is to blame for this. I think that liberalizing the regulations of the law in this way would be favorable from the viewpoint of society as a whole.

Another direction to move in order to bring about an increase in the land supply is in the direction of neglected farms. The current classification of farms for the neglected group (those lying fallow permanently) is too liberal and the regulations counteracting the neglect of land (at most an administrative penalty) are ineffectual.

Meanwhile, the phenomenon is growing and its social damage is on the rise. Both the rural self-government and local authorities should be more interested in neglected farms. In this way, aid could be given to some of them to start up again, while for others such solutions as the following could be proposed: a reduction in area, the sale (rental) of the entire farm, work for pay, moving closer to a plant or providing public assistance for the family.

The problem is complex but delicate because of the irregularities that were allowed in the past. Nonetheless, it is high time we began--without violating constitutional guarantees--to act more effectively to secure the interests of society, i.e., by utilizing land rationally. Incidentally, this too is a constitutional duty. Many premises point to the fact that the private land turnover will dominate, although it will not be the only form of land transfer for improving the agrarian structure. Consequently, we likewise must aim to activate it. It should be a completely free transaction (even without the current proviso on farms capable of goods production) and should be

implemented with maximum efficiency. It would be advisable to apply the financial preferences now given young farmers purchasing land from the state to those that purchase land in a private transaction as well.

In the future, when the land market stabilizes and the scale of land transactions grows, farmers should be relieved of the organizational-legal obligations related to conducting the intended transactions. Both in private trade and in state-private trade, this role could be played by an organization such as France's SAFER organization. Such an organization (institution) would be needed for another reason as well. While we envisage that all land transactions of farms would be regulated parametrically (both between sectors and within the compass of each sector), experience teaches us that the competition of the private farmer, even the best one, for land that the PGR, for example, is also trying to acquire, is quite problematical. However, if the interests of the farmer were represented by a specific organization, the chance that the transaction would be implemented in his favor would be considerably greater.

All instruments of economic policy should be harnessed to activate agrarian changes. Some for them, credit and taxation for example, already are creating and will create attractive terms for agrarian change. However, an income policy aimed at parity will have an especially important, even a decisive, impact. Only such a policy will be able to change the orientation of that part of the younger generation that is indispensable in farming and that will implement agrarian changes above all. In recent years, income policy has been too shaky; surely, this has been one of the reasons for the reduced demand for land.

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AGRICULTURE

POLAND

CASE STUDY SHOWS IMPROVED STATE FARM PRODUCTIVITY

Warsaw NOWE ROLNICTWO in Polish No 9, Sep 85 pp 26-29

[Article by Zofia Wyszowska: "Results of PGR Activity in the Bydgoszcz Province After Three Years of Operation of the New Economic-Financial System"]

[Excerpts] We began our analysis of the results of economic activity in 18 Bydgoszcz Province multiplant enterprises with the year 1978/1979, recognizing that that year was marked by conditions that were relatively representative of the period preceding the reform, and we ended it with the last fiscal year, the third year after the reform was ushered in.

Conclusions

1. Production results and economic results during the last 3 years have shown a clear improvement. There are many reasons for this, above all the increase in the yields of grain, oleaginous crops, sugar beets and fodder crops. There was, however, a decline in potato yields. A greater adaptation of the sowing structure to soil-climatic conditions and fodder needs occurred. During the first 2 years of the reform's operation, there was a marked increase in the share of grains in the sowing structure and of leguminous crops for seed, and a reduction in the share of fodder crops for hay and green crops. In the last year, these trends were halted, and a reduction in grain cultivation in favor of fodder crops was even noted.
2. We noted an adjustment of the number of head of farm animals to local enterprise fodder potential as well as a reduction or even liquidation of those directions of animal production that are less profitable for an enterprise. As a result, there was a decline in the number of head of cattle and slaughter hogs, while the number of head of sheep rose. These changes caused a reduction in the amount of livestock. There was some improvement in per-unit productivity in animal production. The milk productivity of cows increased significantly; livestock production per unit of the average number of head of livestock also rose considerably. Nonetheless, the sale of livestock per hectare of UR still did not exceed the 1978/1979 level.
3. Changes in the structure of crop and animal production indicate the growing interest of management and workforces in rationalizing production outlays and profitability. Changes in the structure of crop production lead

us to assert that enterprises are attaching greater importance than they did formerly to land utilization. Changes in the structure of animal production substantiate the belief that it is more favorable for enterprises to make incomplete use of stations in livestock buildings, temporarily or totally eliminating some assets from utilization, than to conduct animal production at sometimes very high costs.

4. A combined assessment of Bydgoszcz Province PGR's shows definite trends in the structure of crop and animal production, in equipment, in the level of production (taken both quantitatively and qualitatively) and in the ultimate savings in economic terms. These trends are similar to the changes taking place throughout the state farm enterprise sector. However, an analysis of particular enterprises in all of the elements we studied shows very broad differentiation.

5. Enterprises with a similar production potential, i.e., those equipped in the same way with fixed assets and having similar soils, similar climatic conditions, a similar level of employment and remuneration and a similar number of livestock manifested very broad differentiation in production and economic results. Thus, it is very difficult to assess production potential. Frequently, of two neighboring enterprises, one will show very high-level production and financial results and the other will manifest very low-level results.

6. The human element is the most important factor in the differentiation of PGR results. The management cadre is aware of this fact. This is shown by polls conducted in this area. The actual results attained in subsequent years were very dependent upon the commitment of the entire workforce. They shaped up at the level of the overall "social climate" that prevailed among the crew.

7. The very unfavorable weather conditions in fiscal year 1980/1981 caused a sharp decline in production during that year; this had an unfavorable impact on production during the following years. The decline in production for this reason and because of changes in the structure of crop and livestock production, partly necessitated by the lack of potential for purchasing fodder outside enterprises, was very difficult make up.

Table 1. Changes in the Sowing Structure of the More Important Groups of Crops (in percentages)

Item	1978/79 r.	1979/80 r.	1980/81 r.	1981/82 r.	1982/83 r.	1983/84 r.
Grain crops	40.7	41.1	45.1	43.3	49.0	46.2
--barley	6.1	3.1	4.3	6.2	4.8	6.0
--oats	3.1	2.2	2.1	1.8	3.3	1.0
--rye	12.4	12.1	9.9	10.4	10.9	11.8
--wheat	6.0	5.5	4.1	4.7	5.0	4.9
--potatoes	3.5	3.7	3.0	3.2	3.0	3.8
Fodder for hay and green crops	35.6	31.9	36.9	37.2	30.9	34.5

Source: prepared by the author on the basis of report data.

Table 2. Changes in the Yields of Basic Crops (in tons/hectare) and Fertilization Levels

Item	1978/79 r.	1979/80 r.	1980/81 r.	1981/82 r.	1982/83 r.	1983/84 r.
Grains:						
--average	3.46	2.37	2.82	2.71	3.23	3.90
--maximum	4.44	3.75	4.49	3.33	3.95	4.61
--minimum	2.90	1.71	2.17	2.13	2.25	3.30
--difference	1.54	1.98	2.32	1.20	1.70	1.31
Colza:						
--average	2.17	0.94	1.39	1.94	1.81	2.32
--maximum	2.96	1.85	2.37	2.46	2.29	2.90
--minimum	1.40	0.41	0.79	1.70	0.90	1.75
--difference	1.56	1.44	1.58	0.76	1.39	1.15
Sugar beets:						
--average	27.54	25.88	16.51	28.42	21.36	31.02
--maximum	36.10	32.90	29.20	34.90	29.90	37.50
--minimum	20.30	19.20	8.00	23.70	14.20	26.10
--difference	15.80	13.70	21.20	11.20	15.70	11.40
Potatoes:						
--average	20.59	22.22	8.61	18.47	11.96	19.25
--maximum	27.7	31.50	21.90	27.40	17.00	28.10
--minimum	16.0	15.90	4.30	14.20	7.40	12.90
--difference	11.7	15.60	20.60	13.20	9.60	15.20
Fertilization in kg of NPK/hectare	319.7	319.4	287.7	251.0	274.0	293.0

Source: prepared by the author on the basis of report data.

Table 3. Changes in the Population and Stock of Livestock

Item	Cattle, Hog and Sheep Population According to the Annual Average per 100 Hectares of UR					
	1978/79 r.	1979/80 r.	1980/81 r.	1981/82 r.	1982/83 r.	1983/84 r.
Total cattle population	79.8	78.9	57.8	60.3	56.3	52.5
--number of cows	21.0	21.4	19.1	19.2	19.3	18.7
Total hog population	162.0	160.4	132.5	114.4	138.0	129.5
--number of sows	11.8	12.0	9.7	9.6	9.0	12.0
Total sheep population	32.0	31.2	27.3	30.5	37.6	42.9
--number of ewes	14.5	14.0	13.0	17.0	20.3	24.1
Number of livestock in SD	74.5	79.2	67.8	45.9	54.0	50.1

Source: prepared by the author on the basis of report data.

Table 4. Changes in the Level of Animal Production From 1978/79 to 1983/84

Item	1978/79 r.	1979/80 r.	1980/81 r.	1981/82 r.	1982/83 r.	1983/84 r.
Milk production per cow per liter	3373	3381	2974	3057	3336	3712
Milk production per 1/hectare of UR	692	704	601	576	639	691
Milk sales in 1/hectare of UR	570	578	472	450	505	560
Total livestock sales in kg/hectare of UR	316	316	272	204	239	250
Cattle sales in kg/hectare	126	122	101	62	78	85
Slaughter hog sales in kg/hectare of UR	183	185	156	125	141	156
Calves raised from 100 cows (number)	85.2	81.9	86.8	85.6	90.3	89.2
Piglets raised from sows (number)	16.5	14.5	14.6	16.3	16.5	17.9

Source: prepared by author.

Table 5. Changes in Employment and Gross Fixed Assets

Item	1978/79 r.	1979/80 r.	1980/81 r.	1981/82 r.	1982/83 r.	1983/84 r.
Number of persons fully employed per 100 hectares of UR						
--average	13.7	13.6	13.7	14.1	13.9	14.0
--maximum	18.7	18.2	17.7	17.3	16.9	17.0
--minimum	10.5	10.7	10.7	10.7	10.8	10.8
--difference	8.2	7.5	7.0	6.6	6.1	6.2
Gross fixed assets per hectare of UR						
--average	92.4	101.9	105.8	114.1	123.8	438.2
--index	100.0	110.3	114.5	123.5	133.9	474.2
--maximum	133.9	142.6	146.8	153.1	169.7	568.6
--minimum	69.3	73.6	76.6	88.5	101.4	355.5
--difference	64.6	69.0	70.2	64.6	68.3	213.1
Gross fixed assets per employee in thousands of zlotys						
--average	747.8	828.1	838.7	854.3	872.8	3 125.1
--index	100.0	110.7	112.2	114.2	116.7	417.9
--maximum	891.8	1 000.7	1 008.7	1 012.1	1 030.0	3 547.6
--minimum	541.1	645.0	636.0	671.1	767.0	2 798.7
--difference	350.7	355.7	372.7	341.0	263.0	748.9

Source: prepared by the author on the basis of report data.

Table 6. Changes in Net Terminal Production and in Financial Results

Item	1978/79 z.	1979/80 z.	1980/81 z.	1981/82 z.	1982/83 z.	1983/84 z.
Financial result per employee in thousands of zlotys						
--average	21.7	7.7	-55.5	105.3	111.3	133.0
--maximum	84.0	59.7	21.4	211.5	231.7	219.8
--minimum	-35.7	-62.8	-108.4	-1.0	29.7	41.8
--difference	119.7	122.5	159.8	210.5	202.0	178.0
Financial result in thous. of zl/hectare of UR						
--average	3.3	1.1	-8.0	15.0	15.4	10.6
--maximum	15.0	8.0	2.7	30.4	30.7	30.5
--minimum	-5.3	-10.9	-16.4	-0.1	4.0	5.5
--difference	20.3	18.9	19.1	30.5	26.7	25.0
Net Terminal Production in thous. of zlotys/hectare of UR						
--average	16.75	16.03	14.03	45.5	62.17	72.9
--index	100.0	95.7	83.8	271.7	371.3	435.2
Net terminal production per employee in thousands of zlotys						
--average	140.6	137.5	120.6	330.9	444.5	519.6
--index	100.0	97.7	85.7	235.3	316.1	369.6
Net terminal crop and livestock production in grain units per hectare of UR						
--average	21.4	19.52	17.77	18.70	19.98	24.8
--index	100.0	91.2	83.0	87.3	93.4	116.8

Source: prepared by the author on the basis of report data.

ECONOMY

INTERNATIONAL AFFAIRS

CEMA COMPLEX-PROGRAM LACKS MATERIAL, TECHNOLOGICAL BASE

Hamburg DER SPIEGEL in German Vol 40 No 1/86, 30 Dec 85 pp 76-78

[Text] Moscow gets money and know how from its fraternal countries to execute its technological leap forward.

In the 1970's, the CPSU boasted that the "balance of power" had shifted toward socialism even in the economy. By now the comrades have come to understand that it was not so--nor is it any different at present.

"We are still substantially inferior to capitalism in the use of modern technology in production and, therefore, labor productivity," German veteran communist Juergen Kuczynski (81) admitted in a letter to national poet Hermann Kant, published just lately by the GDR periodical SINN UND FORM.

Kuczynski, a widely known student of social reality, followed the lead of his Council of State chairman Erich Honecker who, on the occasion of New Year 1985, acknowledged the "challenge" to the GDR "to maintain itself among the most advanced industrial countries." Honecker continued in the same vein last February: "The GDR cannot live by mediocrity."

The same holds true even more for the Soviet Union. In the leftist BLAETTERN FUER DEUTSCHE UND INTERNATIONALE POLITIK German reporter and arms critic Anton-Andreas Guha recalled having heard two section managers of the Gosplan, the central planning authority in Moscow, admit that "the productivity of our economy amounts to only 40 percent of the Americans'.

This acknowledgement, Moscow visitor Guha noted, "describes a definite disaster." Because American productivity in turn only achieves 85 percent of Japan's--meaning that the USSR manages to achieve no more than a third of the top world standard. Indeed, it does even worse in important sectors: Electronics, computer technology and services.

Since Gosplan, lately under the direction of electronics specialist Nikolai Talyzin, now "frankly admits its difficulties" (Guba says), the boss of the CPSU is taking steps: Mikhail Gorbachev is calling on his allies for fraternal technological aid.

Shortly before Christmas, the premiers of the other nine member countries of the Eastern economic community "Council for Economic Mutual Aid" (CEMA) received a surprise summons to Moscow. The heads of government of even the far distant members--Cuba and Vietnam--obeyed the summons.

They signed a rapidly manufactured "complex program" that is to last through the turn of the millenium while also being incorporated in the national five-year plans beginning on 1 January 1986.

The intention is this: Joint laboratories and enterprises are to close the five gaps common to the planned economy of all CEMA countries: In the sectors electronics, automation, nuclear energy, new materials and processes, biotechnology.

Soviet Premier Nikolay Ryzhkov, former director general of the Uralmash arms corporation, announced to his colleagues "profound structural changes in the national economy." "Fundamentally new types of organizations" are to merge science and production in the entire Bloc: Multinational corporations and international programs, the first a firm to be called "Interrobot."

The East must become so ingenious, because, according to Ryzhkov, the West aims to engage it in a "technological war," "isolate it from modern technology, obstruct its economic development and damage the military-strategic equilibrium."

Ninety-two technological projects are to be realized, including:

- A super computer with 10 billion operations per second;
- Communication lasers and a new generation of satellites;
- Completely automated factories, robots for artificial vision;
- Controlled nuclear fusion as a new source of energy, "reliable" automated nuclear power plants, new methods for the final storage of radioactive waste and the "safe liquidation of nuclear power plants at the end of their life";
- Super hard substances by the use of pulse and explosion energy, ceramic motor vehicle engines;
- Gentechnologically produced drugs (interferon, insulin), bacterial fertilizers, fodder additives, biogas.

The revitalization of the Soviet economy is the principal objective of the complex-program: Labor and other costs are to be halved, the underdeveloped labor productivity quintupled.

The three non-European premiers at the round table were enthused." They will obtain the results of the planned leap forward "largely cost free."

The premiers of the developed countries some of them ahead even of the USSR were less happy, because they are meant to pay: The CEMA document notes that the program 2000 is to be financed by "moneys of the countries," loans by and funds of "the interested states."

Czechoslovakia's Lubomir Strugal immediately pinpointed the material weak point of the immense project: To translate scientific findings into production. He thought that "the necessary prerequisites" were still lacking in "the economy's management systems." Decoded this means that the first requirement is economic reform.

Bulgarian Grisha Filipov, raised in the USSR, courteously but aloofly expressed "gratitude for the gigantic effort of the Soviet side in the drafting of the program." Soviet Premier Ryzhkov had remarked that it had "not been an easy task."

GDR colleague Willi Stoph promised to "further deepen" cooperation--but subsequently spoke only of his GDR which is already making strenuous efforts toward highly integrated circuits and automated machine systems; its combines had always combined research, development and marketing; his country had been cooperating with the USSR for the longest time. After that he slyly recalled Gorbachev's Geneva proposals for "worldwide cooperation"--in other words with the West, too.

Ryzhkov evidently appreciated the undercurrents--and proceeded to appease the others: "We certainly do not intend to create a club of privileged nations," in other words not return to isolation.

Subsequently Gorbachev addressed the council of prime ministers, never before attended by a party chief: Socialism, after all, opposes "technological compartmentalization and hegemonism." "National tasks could be more rapidly and efficiently accomplished" by joint efforts: "Once we merge our forces, we will of course not renounce continuing international scientific exchanges."

On the other hand, "technological independence and immunity from pressure and blackmail" were imperative. It was vitally necessary "to totally demonstrate the superiority of socialism," and a "sharp turnabout" was overdue.

In summation, Gorbachev viewed the new technology program as "a great contribution to the consolidation of the unity and solidarity of the fraternal countries."

The background was topical in terms of international politics: Two days earlier, U.S. Secretary of State George Shultz had given a speech in West Berlin. According to Moscow's party organ PRAVDA, this speech "reeked of cold war" and represented an "attack on the sovereign right of the East European peoples who freely chose the road to socialism."

In fact Shultz had disputed just that: The East Europeans had never been able to exercise self-determination about their style of government and living, though the 1945 Yalta Agreement had promised self-determination. Before going

on to Romania, Hungary and Yugoslavia, Shultz affirmed "that we do not accept Eastern Europe's incorporation in the Soviet sphere of influence."

By means of the complex-program, Gorbachev has actually incorporated the East Europeans even more tightly, called even more on their potentials to serve the Soviet Union. The fraternal countries are supposed to exchange relevant data and set up "international engineering centers," "scientific-technological collectives and laboratories": Moscow wishes for a brain drain from Berlin, Prague and Budapest.

Gorbachev seems to have been motivated by the wish for sage heads from the USSR's outer ramparts at least a week before the premiers' summit: He proudly assured American businessmen that the theoretical foundations of rocket technology had been discovered and developed by a Russian, that the USSR had "laid the foundations of the conception of multistage rockets and constructed the first test rockets."

Moreover, almost none of the current metallurgical processes would have been possible without the achievements of Soviet scientists who also had often provided the crucial contribution to the theory of chain reactions as well as to the discovery of laser beams.

Nevertheless: The Soviet Union "of course" relied on "international as well as its own achievements in civilian and arms production."

Among some of the people affected, such as GDR science star Manfred von Ardenne, such projects arouse memories of the times of very different cooperation with the big brother: In 1945, the Soviets removed all-round genius Ardenne and his institute to the Soviet Sukhumi on the Black Sea in order for them to research isotope separation for the Kremlin's first atom bomb.

At the time, Ardenne agitated for the early return home of those forced to work in Sukhumi, who had been brought in from prisoner of war camps. He revealed his story in July last--while preparations for the new complex-program were being started in Moscow.

Ardenne went on to report the following: When a branch of the "Society for German-Soviet Friendship" was to be established in Sukhumi, the limits of his forbearance were breached. He wrote the Soviets a letter, saying that he was not in the mood to attend the celebration of such an establishment unless he were to have reliable news of the return home of his colleagues. Subsequently, he had received "urgent advice from higher up not ever to write another such letter."

However, he now has done just that. He published his reminiscences in a letter to the editor in Dresden's FAZ--as if to keep as much distance as possible between himself and the new cooperation: 500 scientists are engaged in applied research in electron, ion and nuclear physics, ultramicroscopy and medical electronics at Ardenne's GDR institute. It could contribute important work to the CEMA complex-program.

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

FRG ECONOMIST MAKES DETAILED ANALYSIS OF 5-YEAR PLAN 1981-1985

Bonn DAS PARLAMENT in German (supplement B 4/1986) 25 Jan 86 pp 3-15

[Article by Doris Cornelsen, Dr of Political Science, born 1933; since 1974 director for the section dealing with the GDR and East European Industrialized Nations at the (West Berlin) German Institute for Economic Research (DIW). Original title: "The GDR Economy 1981-1985; 5-Year Plan Financial Statement".]

[Text] I. Initial Situation and the "economic strategy for the 1980's"

The GDR economy recorded a relatively strong and stable growth in the 1970's. It achieved this, though the labor volume (employed persons x average working hours) had barely risen. The development of the two other primary production factors--fixed assets and materials use--made the difference. Investment activity had steadily increased in the course of these 10 years (albeit with some fluctuations); the same held true for materials consumption. Statistics reported with respect to the produced national income (both gross and net) show that the rise in materials consumption actually exceeded that of net output. The development of imports proceeded parallel to the growing materials consumption. The GDR is a highly industrialized country but poor in raw materials, compelled to import some 60 percent of the raw materials it needs.

In the early 1970's, rising imports did not yet present a problem. They were indeed largely paid for by exports. However, the situation changed decisively in the course of the decade. The first "oil price shock" occurred in 1973, initiating a substantial increase in world market prices for other raw materials, too. The rise in prices of finished goods lagged behind that of raw materials, with the result that the GDR's terms of trade (change in export prices relative to the change in import prices) deteriorated. This factor turned acute first in world trade, and after the changes in the price formation principles in the CEMA area (1975) applied also in trade with the Soviet Union, the GDR's biggest raw materials supplier.

Ever since, the GDR has no longer been able to pay its imports in full from export earnings and instead needed to finance part of its import costs by loans. It showed a deficit in trade with the West as early as 1970, with the Soviet Union from 1975. Net debts to the West increased by annual rates in

access of 20 percent in the second half of the 1970's; according to Soviet statistics, the trade deficit with the Soviet Union amounted to a total of 2.5 billion transferable rubles (TRbl) in 1975-1980.

In 1980, the Vienna Institute for International Economic Comparisons presented a study extrapolating this development. It indicated future accumulated current account deficits of tremendous dimensions. We may assume that the GDR planning authorities worked with similar projections. At any rate, in its report to the Eleventh SED CC Plenum in late 1979--at the beginning of the second oil price shock--the Politburo struck a positively dramatic note: "We are not merely confronting another exacerbation of already difficult circumstances. An entirely new situation has arisen."

As a consequence, the current account deficit needed to be reduced and surpluses earned in the foreseeable future. To achieve this, it was necessary to choke off the rise in imports and raise the growth of exports. Both these requirements reduced the resources available for output and consumption at home. No longer was it possible (as it had been in the 1970's) for economic growth to rely on materials use and fixed assets rising proportionally or even overproportionally. This meant new initiatives for future developments. "In view of the actual data, it is not merely a matter of projecting the rise in output in the same manner as before" (Erich Honecker).

Confronted with this situation, the GDR developed its "economic strategy for the 1980's." Erich Honecker explained its 10 points in the SED CC report to the Tenth Party Congress (April 1981). The report notes that the GDR needed to achieve large and stable economic growth in the 1980's, too. However, this should not involve growing capital equipment stocks and rising materials consumption but steady inputs by means of extensive and consistent "intensification": All opportunities available for improving the cost/profit ratio, rationalization and productivity growth should be utilized. The following were the main points of this economic strategy:

- The speed-up of scientific-technological advances;
- The reduction of specific production consumption;
- An investment policy geared more to modernization than new investments;
- The improvement of labor productivity.

The economic leadership did not expect this transition to "intensification" to happen on its own. The management and planning system was transformed by an abundance of legal changes.

The GDR Conference of Economists in autumn 1983 summed up the results of the measures adopted since the turn of the decade. In his major introductory report, Guenter Mittag (the Politburo member in charge of economic issues), listed as the outstanding factors the establishment of combines and the "further measures for the perfection of management, planning and economic accounting." The same emphasis was reiterated in many contributions to the

discussion. What makes this phraseology remarkable is the fact that the concept of "economic accounting" has been given parity with the terms "management and planning." Economic accounting in the socialist system combines accounting and checks on enterprise earnings with government planning and indirect controls. The emphasis now placed on it exemplifies the new role of cost/profit considerations.

II. Economic System: Small Steps Toward Reform (1)

1. Organizational Change by the Establishment of Combines

The organization of GDR industry was decisively altered in 1979/1980. The three-stage structure--an intermediate management level, the Association of State Enterprises (VVB), was interposed between the individual state enterprises (VEB's) and the industry ministries--was abolished. Industrial enterprises were merged into large-scale combines in accordance with key output considerations and subordinated to the respective industry minister. Moreover, the combines were assigned important additional functions:

- Research enterprises, formerly mainly outside production enterprises, were incorporated in the combines. The expectation was for targets closer to practical needs and the rapid transfer of research results to production.

- Component suppliers were incorporated in the combines or set up within the combine framework. This measure was designed to remove the persistent bottleneck with regard to components.

- The foreign trade powers of the combines were extended to improve export results.

This combine reform had a major impact on foreign trade especially.(2) The strict organizational separation of industry from foreign trade was removed. The former rigid and centralist foreign trade organization, involving 30-35 foreign trade enterprises (AHB's) almost exclusively subordinated to the Ministry for Foreign Trade, was replaced by a more sophisticated marketing organization of 64 specialized AHB's. Twenty-three of these are to some extent integrated in combines, most of the others subordinated to the industry ministries. Twelve of them were split up into 61 foreign trade sectors (firms) and assigned to combines. Consequently new decisionmaking and consultative rights now exist at combine and enterprise level, accompanied by new responsibilities with regard to the fulfillment of foreign trade plans.

It was the objective of all this organizational reform to subordinate to a united management the entire production process in the combine, from research to production and sales. At the present time, GDR centrally managed industry counts

- 132 combines
- with 20-40 operating units each
- and an average of 25,000 employees per combine.

District managed industry also was organized in combines. It now has 93 combines with an average of just about 2,000 employees. According to the combine decree, the various operating units merged in combines remain legally independent and have their own financial resources. However, by comparison with the general director of the former VVB's, the combine general director has greater powers of intervention in the operations of the units. He decides plan targets, influences the allocation of earnings, carries out mergers and shifts of capacities and has the right of disposal of some central funds held by the combine management. The scope of action of combine directors is therefore relatively wide; the status of the individual operating units has been weakened.

2. Direct Control

Direct control is taken to mean central economic planning. Its results are directly mandatory targets for combines and operating units. Plan indices, norms and normatives as well as financial statements represent the scaffolding of direct control.

Plan indices are the central tool for the control of the output program and, at the same time, serve as checks on earnings. Currently some 90 indices are in force for annual planning (of centrally managed industry, including subheadings). Despite many years of debate on the issue of efficiency accounting, industrial goods production (gross production) dominated planning and reporting until the end of the 1970's, though its disadvantages--waste of materials, inflated cooperation--were undisputed. Since 1980, several "main indices of performance assessment" are emphasized in the total of all indices, as a controlling concept in combination with "other important qualitative indices." Industrial goods production was replaced as a main indication in 1983; however, it remains an important consideration in national planning.

Since the 1984 plan draft, the following are in force as "main indices": Net production, net profits, products and services to the general public, exports. The "other important qualitative indices" refer to labor productivity, costs (in particular costs of materials), quality and new developments. Net production is the indicator of the enterprise's performance (output less materials consumption and depreciation). In addition, net profits are defined as the "composite reflection of the efficiency of the entire reproduction process." They demonstrate the difference between costs (including wage costs) and earnings, arising only after the sale of the products. They may, therefore, be considered an indicator of demand appropriate production.

Normatives and norms are in effect for the planning and supervision of conservative materials consumption. The normatives of materials consumption are officially mandatory plan targets; they determine the upper limits for specific materials consumption. Norms of materials consumption are ascertained at enterprise level and represent the basis for the determination of the normatives. New regulations have now provided stringent instructions for the drafting, supervision and extent of mandatory force of confirmed norms and normatives.

In a market economy, coordination is established by direct contacts between the various economic units. In the planned economy such coordination is produced by a general economic system of balances. Proceeding alongside the fixing of plan targets is the incorporation of output and consumption within a system of commodity balances, the system of balances covering materials, equipment and consumer goods (MAK balances), with the aim of safeguarding the optimum satisfaction of national demand and rationing resources in short supply. At the time of balancing, mandatory decisions are issued on the production and sale by enterprises and combines in the coming plan period. New balance types were developed in the early 1980's, while the influence of the central authorities on balances was enhanced.

Many detailed regulations, referring--for example--to investments, science and technology and various economic sectors (in particular transportation), are also part of direct control in its new shape.

3. Indirect Controls

By indirect controls we understand a set of tools related to financial dimensions and, by way of granting or withdrawing benefits, inducing enterprises to maintain the officially desired behavior. In the phase of the New Economic System (NOES), the GDR used the term "economic levers" to describe these tools. At the present time we more frequently hear the expression "material interestedness." Among the tools are costs, profits and utilization of profits, loans, prices and enterprise funds. Indirect controls assumed greater importance as a result of the priority assigned to the cost/profit ratio since the beginning of the 1980's.

The net profits of enterprises represent the starting point for the stimulating effect of indirect controls. A much simplified diagram shows its genesis:

Receipts
= Gross profit
government income in 1984)
= Net profit
= Net profit of enterprises.

The net profit of enterprises provides money for, among other purposes, to the premium fund which is used to pay the year end bonuses and other premiums to employees. The enterprise and the employees are therefore greatly interested in achieving a satisfactory net profit.

By varying the components of net profits (such as raw materials prices, interest rates, gross profit margins, the rate of the production fund tax and the net profit levy), the authorities induce enterprises to rational materials consumption, the introduction of new products and plan appropriate behavior, because this is the only way for them to earn their net profits. This interrelation is now being exploited to a far greater extent:

-- Already since 1976, prices payable by enterprises for raw materials and semifinished goods have been raised at regular intervals;

-- The contribution to social funds, a kind of payroll tax amounting to 70 percent of the wage fund (payable by industry from 1984 on) is designed to encourage the rational use of manpower;

-- Interest payable on loans (as a factor of costs) is subject to greater variations than hitherto;

-- Profit surcharges are granted for new products, discounts required for obsolescent merchandise;

-- Regulations relating to the production fund tax now provide for a kind of penal charge levied on, for example, the late completion of investment projects and excessive stocks;

-- Instructions are more differentiated with regard to the ascertainment of the net profit of enterprises; they do, for example, obtain a larger share of "excess plan profits."

Overall we thus note a cautious revaluation of the role of profits. Admittedly, the enterprises' possibilities for using these profits remain very limited indeed.

4. Supervision

As in any hierarchical organization, the central authorities in the GDR also must be able to check and appraise the performance of subordinated units. Checking plan conforming behavior is an essential aspect of the general system.

Supervisory mechanisms have been strengthened as a counterpoise to the combines' increase in powers as well as for the purpose of checking efficiency. New supervisory organs were set up and the competences of existing ones expanded. That applies specially to the supervisory and analytical function of the chief bookkeeper, the many inspections, quality controls and checks by the banking apparatus.

Annual reporting serves to review the full range of the "intensification strategy" and to combine the results of the checks by various organs.

As a result of the variation of the individual elements of organization, direct control, indirect control and supervision, a new quality in the economic mechanism was achieved by many small steps. The present methods of "management, planning and economic accounting" emphasize cost/profit considerations with the objective to replace the principle of maximalization by the principle of optimalization.

At the same time it will not do to overlook persisting weaknesses. The new mechanism of the "intensification model" is not able either to bring about the oft evoked identity of interests between production units and the national

economy as a whole ("whatever is useful for the national economy needs to be beneficial to combines and enterprises also"). Still, in general terms, the present economic mechanism is more appropriate for the settlement of outstanding problems and also more efficient than the system of the 1970's.

III. Planning and Unexpected Problems

The 1981-1985 5-Year Plan, only enacted by the People's Chamber on 3 December 1981, at the end of the first year of its term, had the following chief provisions:

-- The speed-up of economic growth from an 4.1 percent average in 1976-1980 to a 5.1 percent annual average.

-- The reduction of the specific consumption of "nationally important" energy supplies, raw materials and other materials by 6.1 percent per annum. It is reported that these account for 58 products--mainly imported--with a 70 percent share in total materials use.

-- The call for structural changes was particularly insistent with regard to the entire concept of growth. To be developed were further processed products, of better quality and greater export profitability. Microelectronics and automation equipment were to transform the productive base of the entire national economy. At the same time, a second and very different structural change was envisioned: The return to domestic raw materials, specially to brown coal, in order to reduce dependence on imports.

-- The targets for foreign trade did not emerge directly from the published plan. In fact, its data on foreign trade were decidedly skimpy. Less than 5 percent of the published text dealt with it, and most of that was devoted to the significance of "socialist economic integration." However, the juxtaposition of growth rates shows that this 5-year plan looks for the consolidation of foreign trade: Output is to rise by at least 5 percent, domestic consumption (the total of investments and retail turnover) by only about 2 percent.

-- An important economic decision was adopted with regard to the use made of the commodities available at home. An average 2 percent annual reduction was envisaged with regard to investments, while retail turnover was to more or less continue on the lines of earlier development (+3.7 percent per annum). The domestic shortage, therefore, was to be absorbed mainly by investment activity rather than by the general public. In line with this interpretation, the connection between readiness to perform and the availability of supplies was frequently emphasized.

Unforeseen problems exacerbated the situation at the start of the 5-year plan period. A change occurred in the international financial situation. The supply of capital shrank, demand increased, interest rates rose. Following the de facto insolvency of Poland and Romania in 1981 and the abandonment of the "umbrella theory" (according to which the Soviet Union would come to the aid of any CEMA countries in payment difficulties), the GDR also saw its

opportunities for loans from Western banks dry up almost completely. At the end of 1981, the Soviet Union announced that it was going to cut by about 10 percent its oil deliveries fixed in long-term trade agreements. With respect to some essential sections the 5-year plan had therefore been overtaken by events even at the time of its enactment. The compelling need for consolidation of trade with the West was greater, the shortage of resources more oppressive. However, according to GDR planning regulations, a 5-year plan cannot be revised even when the situation changes completely. The necessary adjustments to prevailing circumstances are made by way of the annual plans.

This means--and it is important to remember this--that the success or failure of GDR economic development in the early 1980's cannot be judged entirely by the extent of the fulfillment or nonfulfillment of 5-year plan targets. Instead we must appraise the extent of GDR ability to cope with the problems arising.

IV. Objectives, Measures and Results

The new problems were first mentioned at the Third SED CC Plenum (20 November 1981): "...that we need to carry out the Tenth SED Congress economic directive with even fewer raw materials and other materials than assumed at the time (confronts) the management of economic processes with great challenges..." (Erich Honecker).

Since the the shortage of resources, adjustment and conversion difficulties have left noticeable traces. 1982 was particularly critical, because Western banks assumed an increasingly restrictive attitude. The GDR responded by a sometimes radical reduction of imports from the West, accompanied by simultaneous increases in exports. Supply gaps and bottlenecks at home resulted, and so did a decline in economic growth to less than 3 percent. However, the subsequent progress of the 5-year plan period was somewhat more favorable. Changes in production conditions and structural changes in various sectors were the specific features of the entire 5-year plan period.

1. Energy Management

In view of the delivery contracts with the Soviet Union, the first wave of oil price increases on the world market (1973/1974) did not cause the GDR to adopt stricter energy conservation. After the second jump in oil prices (1979/1980), though, energy policy became almost the center of the new strategy. It focused on two targets:

- The reduction of specific energy consumption (5-year plan target: A steady energy volume through 1985);
- The expansion of the production and use of brown coal (output target for 1985 in the 5-year plan: 290 million tons).

These two targets actually collide. Brown coal has a relatively low energy output. By comparison with oil, its transportation and conversion require

greater energy use. Energy conservation is thus the harder to achieve, the greater the proportion of brown coal.

A central energy committee at the Council of Ministers was set up in 1979. A beginning was made in the same year with imposing a state indicator for energy consumption. In the following year, 1980, an energy decree was enacted, according to which the utilization of so-called incidental energy is a legal duty. Norms and normatives were set and reviewed. Since then an energy inspectorate of the central energy committee has been supervising the implementation of these decisions. Individual bonuses for conservation successes are awarded as well as penalties, fines and sanctions.

In addition, enterprise prices for energy were substantially raised. The first changes occurred as far back as 1976. According to a GDR source, the price level for the imported energy sources fuel oil and hard coal had been raised by about 50 percent by 1986 (in relation to 1979), for city gas and natural gas by about a third and for brown coal, electric energy and long-distance heat by 12 percent. The private consumer, on the other hand, did not have to suffer from higher energy prices. The GDR is the only CEMA country not to have changed prices and rates for the energy consumption of private households in the period under review.

Based on these many administrative measures, primary energy consumption was lowered in absolute terms in 1980-1983--despite a roughly 4 percent economic growth. Not until 1984 was there a definite rise in consumption. Admittedly, the successes recorded were in part due to the very inefficient energy use criticized in the GDR. In 1984, per capita primary energy consumption was still 216 PJ, 20 percent that in the Federal Republic, though the GDR achieves only about 75 percent of the West German performance with regard to the real national product.

The most significant savings were achieved in industry which uses about half the total of end energy (use energy). 1984 consumption here was not greater than in 1980. Other savings were registered in the transportation system. On the other hand, the energy consumption of private households is likely to have expanded sharply. This was a very different development from that recorded in the FRG, where the energy savings of recent years was due primarily to conservation in the private sector.

The share of brown coal has risen to a remarkable extent. The GDR produced just about 300 million tons brown coal in 1984, and brown coal has thus achieved 72 percent of the entire consumption of primary energy. GDR heating oil consumption, on the other hand, is said to have been lowered by 1984 to less than 20 percent of 1978 consumption.

2. Industry

Industry, the GDR's biggest economic sector, had ambitious plan targets for reducing specific consumption, changing structures and "further processing" in production. Conversion difficulties and the shortage of resources unfortunately exerted a particularly adverse effect. Instead of an annual 5.1

percent growth of industrial goods production (5-year plan), only just above 4 percent were actually achieved. This result was the upshot of many and very different trends.

Metallurgy is an excellent example of positive and negative effects arising from the intensification strategy. The investments in ferrous metallurgy to raise the proportion of refined products had a definitely positive effect. The converter steel plant in Eisenhuettenstadt, the substantial investments in Unterwellborn and the new rolling mills considerably increased and improved capacities, at least from 1984/1985 on. On the other hand, ferrous metallurgy largely depends on imports, on ore and hard coal coke, on crude iron for use in the steelworks. Shortages therefore limit the growth potential here also.

The chemical industry, too, benefited from further processing investments. Well on the plus side is the oil industry with its two combines, Schwedt and Leuna. The operating area doubled in Schwedt during the 5-year plan period, and so did the value of fixed assets. The output of motor fuel and petrochemicals rose sharply. The GDR's dependence on imports of these materials has diminished considerably; petrochemical specialties are even exported. The remaining chemical industry, though, was very badly affected by the shortage of heating fuel and natural gas. The use of domestic energy sources and raw materials tends to raise costs, and the admixture of domestic raw materials tended to cause noticeable quality problems.

Machine construction still had large reserves for conservation or development at the beginning of the 1980's. The machines were too heavy, the potential for technical progress great. Targets were therefore ambitious, both for the reduction of specific consumption and for average annual growth. It is impossible to pronounce generalities about the course of the last 5 years for this sector which involves 24 industries with almost 1 million employees. Some industries are well able by their own efforts to compensate the shortage of investments--by the "own construction of rationalization aids"--(for example machine tool construction), others suffer a decline in capacity (for example the completely obsolete foundry industry). The shortage of materials obstructs growth in some industries, in others the benefits of the better quality of steel--technically facilitating the reduction of volume--outweigh the disadvantages. In the course of the 5-year plan period much encouragement was given promising export productions rather than purely domestic commodities. The continuing delays in the introduction of modern equipment still make for problems.

Shortages of materials adversely affected the classic electrical engineering industries such as cable production, electric machine construction, light bulb and lamp manufacture as well as the output of household appliances. According to the plan, allocations of steel, castings and copper were to be only slightly larger or to even stay the same, so that some production targets were simply impossible to achieve. Microelectronics, on the other hand, is increasingly important. At the beginning of the 1980's, more than a third of investments in the sphere of the Ministry for Electrical Engineering and Electronics were allocated to these production enterprises. It is reported that more enterprises are to be established in this sector. The labor force

employed in microelectronics in its widest sense was reported to be 100,000 at the beginning of the 1980's; by now it is said to have risen to 150,000. Though both the range and volume is probably fairly small by international standards, production has definitely been much expanded. On the other hand, the use of this new technology seems still to present problems.

The glass and ceramics industry is based on domestic raw materials and, so far, has not suffered any serious restrictions with regard to energy consumption. Growth has been substantial. A major investment project--the floating glass plant in Torgau--has opened up new output and sales possibilities. Light industry (leather, textiles, clothing), on the other hand, has dropped back as a result of the new conception. The need for conservation with regard to materials use did not in this industry result in genuine savings but tended to bring about a worsening of quality. Despite its importance for the export trade, growth rates are low.

In general, therefore, the 5-year plan period featured attempts to reduce materials consumption (unduly high by international standards) as well as slowing growth and loss of quality. New and efficient plant in some sectors were counterbalanced by the obsolescence of equipment stocks in other sections of industry. The recourse to domestic raw materials must evidently be considered entirely negative, because it has worsened efficiency and added to pollution.

3. Agriculture

Agriculture, too, has been included in the general economic targets. The 5-year plan provided for the following:

- A rise in yields of crop production, in particular with regard to cereal grains. Grain imports are to be gradually reduced and finally rendered superfluous by the increase in domestic yields.

- The improvement of the cost/profit ratio was another key consideration.

The discussion of farming came to the fore in the late 1970's and received detailed attention at the Third SED CC Plenum in November 1981: Farm production costs are too high, cost/profit considerations must be much more emphasized and output increased.

The following were the most important measures adopted:

- Price reform. Prices per product unit for crop and livestock products were raised. Abolished on the other hand were the former subsidies in the ancillary services sector (fuel, farm equipment, feedstuffs, building materials and construction services). More realistic cost ratios were to primarily encourage the more careful handling of ancillary services and, at the same time, provide an incentive for the greater output of farm produce.

- Moreover, organizational changes were designed to raise the efficiency of farming. New organizational forms are on the one hand the regional production

organization (the establishment of sub units of crop cultivation enterprises) and, on the other, the cooperation councils (bodies to coordinate enterprises of crop cultivation and livestock production).

The results achieved by agriculture in the past 5-year plan period are very respectable indeed. Four record grain harvests were recorded, two record harvests for overall crop production and generally good performances in livestock production. However, it will still take a good deal to achieve independence of grain imports: Three million tons grain were imported each year in the average of 1971-1984 (3.5 million tons in the average of 1976-1980).

4. Transportation

The transportation system was called upon to accomplish all transport services at the lowest economic cost. The following targets were spelled out:

- The reduction of specific transportation needs;
- The increase in the share of the energy advantageous railroad and inland shipping services, cuts in long distance works transport services;
- The electrified railroad network was to be extended at the same time, so as to shift from diesel engines to electric locomotives as much as possible.

At the end of 1981, a new freight transportation decree was enacted, which lists the most important principles for the reduction of transport costs, in particular the optimalization of transport and delivery terms, the setting of plan indices for the use of freight services, the use of transportation normatives. Standards for transport services have by now been settled.

New domestic freight rates took effect in 1982. Rates rose by an average of 60 percent, and road freight rates increased above the average. Fuel rationing was even stricter from 1982 on. Penalties, long distance surcharges and a works transportation levy all aim in the same direction.

The GDR has long had speed limits. The speed limit on the motorways is 100 km/hour. Top speeds on country roads were reduced from 90 km/hour to 80km/hour in 1979. In 1984, limits were set for commercial vehicles, depending on the type of vehicle.

Transportation costs have definitely dropped as the result of all this. The freight volume declined by 13 percent through 1984, freight services by 8 percent. The reasons mentioned are improved delivery terms and the more rational use of vehicles as well as changes in trading and warehousing networks. At the same time we cannot exclude a partial shift to intra-works traffic which is not reflected in the statistics.

The railroad's share in freight services rose from 67 percent in 1980 to 73 percent in 1984. At the same time the network of electrified sections was

extended from 1,700 km to 2,320 km. The 5-year plan target aimed at the electrification of 750 km railroad sections. It was far exceeded.

5. Investments

A "change in tendency" was announced for investments. Expansion investments were to be the exception, and the main emphasis was on the improvement of the efficiency of existing plant by modernization and reconstruction. This restrictive investment policy was enforced by strict checks "project by project"; the State Central Inspectorate of Investments acted as the controlling body.

In fact this strict control has worked with respect to investments. Total investment activity has declined since 1981, and investments in industry have stagnated. Within industry as a whole, the share of metallurgy has increased. However, it is likely that an investment thaw of considerable proportions has already emerged in many sectors.

"Own construction of rationalization aids" was promoted in the entire 5-year plan period: Enterprises are supposed to themselves manufacture some of their specific equipment. This "own construction" is also included in the plan, though the enterprises have at least some elbow room. In many cases entire workshops were set up, which offer their specialties to other enterprises, too. In 1980, around 9 percent of equipment investments in industry were generated by own production. The 5-year plan target envisaged doubling "own construction," and this target was in fact met in 1984. The efficiency of this type of investment depends on the enterprise production profile. We may assume that in many cases "own construction" is no more than an emergency expedient.

6. Private Consumption

Contrary to the 5-year plan targets, no success was achieved in the attempt to keep supplies for the general public from being affected by the general shortage and indeed steadily increase them. The rise in retail turnover gradually declined until 1983, the turnover of industrial commodities in fact dropped slightly in 1982 and 1983. Gaps and supply bottlenecks multiplied in 1982, even with regard to food. The earlier customary increase was not achieved again until 1984.

Retail turnover is a nominal dimension; the amount of price rises included therein is not known. According to the GDR's official price policy, prices of essential commodities have been kept steady for years. Prices of higher quality goods, on the other hand, are to be adjusted to rising costs and produce taxes as well as profits. Since this new orientation of pricing was proclaimed in 1979, the GDR Statistical Yearbook has been recording price increases for leather goods, textiles, clothing and other industrial commodities. Actual price increases due to the introduction of new and more expensive products as well as shifts in assortments are bound to exceed statistically registered price rises. In real terms, the situation of

consumers worsened until 1983. Ultimately, therefore, the general public was made after all to assume a great deal of the burden of consolidation.

The steady prices for essential commodities required substantial subsidies in the period under review. Due to the growing subsidies for consumer prices, budget spending "from social funds" (price subsidies, moneys for housing, health, social programs, education, and so on) rose to M340 billion in the entire plan period, while the 5-year plan had provided for only M295 billion.

7. Foreign Trade

The consolidation of foreign trade, the object of all these efforts, was accomplished surprisingly fast in the 5-year plan period.

In trade with the West, the GDR succeeded in 1981 already to lower the deficit. Since 1982, it has recorded a surplus. Interest was paid punctually and loans repaid when due. Insofar as shown in the statistics (BIS [Bank for International Settlements] and OECD plus accumulated balances in inner-German trade), net debts were substantially reduced. By mid-1985 they amounted to U.S.\$6.3 billion, just about half of the debts at the end of 1980 (\$11.3 billion). The drop in net debts is attributable less to the repayment of the total amount of loans than to the accumulation of credit balances. These amounted to \$5.3 billion in mid-1985. If we pursue GDR interpretations-- "liquidity before profitability" -- this is the response to the exceptionally precarious liquidity situation at the beginning of the 1980's.

Western banks once again consider the GDR a reliable borrower. The planned amounts of major financial loans in the past 2 years were almost always exceeded as the result of the banks' great interest (1984: a total of \$0.9 billion, 1985: a total of \$1.1 billion). In addition to the punctual payments made by the GDR, the financial credit surprisingly extended in mid-1983 by several West German banks in the amount of DM1 billion, accompanied by a FRG Government guarantee, may well have contributed to this latter about turn in the Western banks' assessment.

Considerable differences occurred in the development of trade with the West. These differences arose in the evolution of inner-German trade on the one hand and trade with other western countries on the other. The GDR was compelled to consolidation especially with regard to its large debts and the restrictive policies of western banks in non-German western trade. The GDR strained all its forces to substantially reduce imports and raise exports in 1982. It was in a better position regarding its debts to the FRG. The total debt was lower and the ratio of debts to deliveries much more favorable. Moreover, the GDR had recorded a surplus in inner-German trade ever since 1980. It was therefore able to procure the most urgently needed Western imports in inner-German trade and thereby keep within manageable proportions the negative consequences of its restrictive import policy vis-a-vis the Western countries as a whole.

However, these export successes in trade with the West were achieved less by the traditional export industries (investment goods industries, consumer goods

industries) than in the sector of basic materials. Oil products accounted for a large proportion of the export increases; even after declining in 1984, they still account for 25 percent of all exports to the West. Moreover, in order to cope with its liquidity bottlenecks, the GDR seems to have sold not only oil products but also crude oil.

According to Soviet statistics, the GDR showed a trade deficit with the Soviet Union until 1984. Consolidation and the repayment of the obligations incurred since 1975 has as yet to be achieved in this case.

V. Summary and Outlook

In general terms, positive aspects predominated in the past 5 years. At roughly 4 percent, overall annual economic growth was definitely respectable. The excessive specific consumption of materials and energy was reduced, foreign trade problems eased. However, the emphasis on foreign trade involved losses of growth. These losses were felt directly in the deterioration of the supply situation. In the longer term, we must expect the restrictive investment policy to produce further after effects.

The structural change toward domestic raw material sources was accompanied by inherent problems. The use of brown coal, for example, involves considerable environmental damage. The further processing of production has so far been limited to the basic materials industries--chemicals and metallurgy. The promised modernization of electrical engineering and machine construction is still to happen, and so are quality improvements in the consumer goods industries.

Basic conditions for future growth are likely to have improved. This, though, does not mean that the policy of intensification will be abandoned, because shortages will continue to dominate economic development. In trade with the West, import possibilities will depend on the GDR's own export potential. This certainly presages greater future problems. The shifts in the structure of exports toward oil products, completed in past years, are hardly likely to be efficient in the long run. They should indeed be replaced by traditional export commodities. That in turn implies the necessity to modernize industry all along the line and to improve the export offer. However, this will certainly be possible only gradually, so that exports and, consequently, imports are unlikely to grow to any considerable extent. Another increase in net debts in the next 5-year plan period is not to be expected.

In trade with the Soviet Union, the protocol on plan coordination stipulates a real increase in turnover by 3 percent. This moderate rise does not imply any increasing orientation to the East of GDR foreign trade. Compared with 1984 results, the raw materials deliveries agreed are steady or just minimally greater. The entire outlook for foreign trade may therefore be interpreted as the continued pursuit of the austerity policy.

Following the years of austerity with regard to investments, it would evidently be necessary in the next 5-year plan to expand and renew fixed assets by a large-scale investment program. It is very doubtful, though,

whether an above proportional investment activity will in fact happen. The improvement of the general standard of living obviously has a high priority among domestic targets. The expansion and qualitative improvement of commodities available as well as the completion of the housing construction program by 1990 will preempt the major portion of capacities. Not much scope, therefore, appears available for an expansive investment policy.

If this assessment is correct, the next 5-year plan will be a plan for the stabilization of achievements rather than a program of changes.

Table 1: Indices on GDR Economic Development (percentage growth by comparison with the previous year)

		1976/ 1980 ¹⁾	1981/ 1985 ¹⁾	1981	1982	1983	1984 ²⁾	1985
	(1)	Ist (2)	Plan	(1) Ist			(2) Plan	
(3)	Produziertes Nationaleinkommen	4,1	5,1	4,8	2,6	4,4	5,5	4,4
(4)	Primärenergieverbrauch in der Volkswirtschaft ¹⁾	.	0,3	-1,8	-0,1	2,7	.	.
(5)	Rohbraunkohle	0,8	.	3,5	2,9	1,6	3,5	.
(6)	Industrie							
(7)	Warenproduktion im Bereich der Industrieministerien	4,7 ³⁾	5,1	5,5 ³⁾	3,6 ³⁾	3,9 ³⁾	4,3 ³⁾	3,8
(8)	Warenproduktion	5,5	5,5	5,9	4,3	4,6	4,5	4,3
(9)	Nettoproduktion	.	.	7,0 ⁴⁾	5,6 ⁴⁾	7,1 ⁴⁾	8,3 ⁴⁾	8,0
(10)	Arbeitsproduktivität (Basis Warenprod.)	4,6 ⁵⁾	5,2 ⁶⁾	5,0	2,6	4,1	3,4	.
(11)	Bauwirtschaft							
(12)	Bauproduktion der Volkswirtschaft	3,3 ⁴⁾	3,4	4,0 ⁴⁾	2,9 ⁴⁾	3,1 ⁴⁾	2,3 ⁴⁾	3,4 ⁴⁾
(13)	Fertiggestellte Wohnungen davon:	162,6	188,0	185,4	187,1	197,2	207,0	203,1
	in 1000 Wohnungen							
(14)	Neubau	111,9	120,0	125,7	122,4	122,6	121,7	117,6
(15)	Modernisierung	50,7	68,0	59,6	64,6	74,6	85,4	85,6
(16)	Landwirtschaft							
(17)	Getreideernte	1,4 ⁴⁾	1,5 ⁵⁾	-7,9	13,1	0,5	12,7	.
(18)	Viehbestand, insgesamt ¹⁰⁾	0,5 ⁴⁾	.	0,6	-2,1	3,0	1,2	.
(19)	Tierische Marktproduktion ¹¹⁾	3,8 ⁴⁾	0,9 ⁵⁾	2,8	-6,6	2,7	6,7	0,6 ¹²⁾
(20)	Binnenverkehr ¹³⁾							
(21)	Gütertransportmenge	5,1	.	-3,2	-7,3	-2,2	-1,1	.
(22)	Eisenbahn	1,4	.	1,2	2,3	1,0	3,6	.
(23)	Binnenschifffahrt	1,2	.	1,9	1,2	3,8	7,0	.
(24)	Straßenverkehr	6,7	.	-5,1	-12,3	-3,9	-4,0	.
(25)	Gütertransportleistung	3,4	.	-2,1	-6,7	-0,3	1,4	.
(22)	Eisenbahn	2,5	.	-1,1	-3,1	1,6	3,2	2,9
(23)	Binnenschifffahrt	-3,8	.	9,3	-2,9	5,9	9,0	8,7
(24)	Straßenverkehr	6,9	.	-5,2	-18,5	-5,3	-5,8	.
(26)	Einzelhandel, Umsatz ¹⁴⁾ davon:	4,1	3,7	2,5	1,0	0,7	4,2	4,0
(27)	Nahrungs- und Genußmittel	3,4	3,7	2,9	2,1	1,6	3,3	.
(28)	Industriewaren	4,8	3,7	2,1	-0,1	-0,1	5,1	.
(29)	Außenhandel, Umsatz ^{14), 15)} davon:	10,3 ¹⁶⁾	.	10,7	9,2	10,6	8,4	8,0
(30)	Einfuhr	10,3 ¹⁶⁾	.	6,4	4,3	9,0	9,6	.
(31)	Ausfuhr	10,3 ¹⁶⁾	.	15,4	14,1	12,0	7,3	.
(32)	Saldo (in Mrd. Valuta-Mark)	.	.	-1,1	+5,4	+8,0	+6,9	.
(33)	Nettogeldeinnahmen der Bevölkerung	3,7	3,7	3,1	2,7	2,2	3,9	4,0
(34)	Investitionen, insgesamt ¹⁷⁾	4,6 ¹⁶⁾	-2,1 ¹⁸⁾	2,7	-6,4	-0,0	-4,9	0 ¹⁹⁾

Key:

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| 1. Actual figures | 18. Total livestock held |
| 2. Plan | 19. Market production of livestock |
| 3. Produced national income | 20. Inland transportation |
| 4. Primary energy consumption in the national economy | 21. Freight transportation volume |
| 5. Raw brown coal | 22. Railroad |
| 6. Industry | 23. Inland shipping |
| 7. Goods production in the sphere of the industry ministries | 24. Road transportation |
| 8. Goods production | 25. Freight transportation performance |
| 9. Net production | 26. Retail trade, turnover--including |
| 10. Labor productivity (based on goods production) | 27. Essential and nonessential foods |
| 11. Construction | 28. Industrial commodities |
| 12. National construction output | 29. Foreign trade, turnover--including |
| 13. Completed units) in | 30. Imports |
| 14. inc.New construction) 1,000 | 31. Exports |
| 15. Modernization) units | 32. Balance (in billion valuta marks) |
| 16. Agriculture | 33. Net cash incomes of the population |
| 17. Grain harvest | 34. Total investments |

Footnotes: 1) 5-year average.--2) Preliminary figures, some estimated.--3) Calculated from monthly data; actual figures, i.e.inclusive of official data, adjusted by working day.--4) Calculated from index data.--5) Gross output per employed person.--6) Basis: goods production.--7) In the sphere of the Ministry for Construction.--8) Average annual growth rate based on the averages for 1976-1980 by comparison with the averages for 1971-1975.--9) Average annual growth rates based on the averages of 1976-1980 with reference to the planned volume for 1985.--10) On the basis of the GDR's large cattle formula; final annual values.---1) Total of the state yield of slaughter cattle, milk, eggs and wool; value attached in grain units (GE) as per the GDR's grain formula.--12) Planning in terms of quantity.--13) Excluding marine shipping and civil aviation.--14) Prevailing prices.--15) Including inner-German trade.--16) Ascertained by means of all annual values.--17) Excluding major overhauls, at 1980 prices.--18) Taking into account a total planned volume of M256 billion.--19) Converted into constant prices, the planned investment volume of M56 billion probably barely manages to stay the same as the previous year's volume.

Sources: GDR Statistical Yearbooks; Statistical Indicators of Short Term Economic Changes in ECE Countries, Geneva; economic plans (lately: GBl DER DDR, Part I/1984, No 32); plan fulfillment reports (lately: NEUES DEUTSCHLAND, 19/20 January 1985, pp 3ff); calculations and estimates by the German Institute for Economic Research, Berlin.

Table 2--Selected Data on the Development of Incomes and Consumption

	(2) Plan 1981/83	(1) 1980 1981 1982 1983 ¹⁾ 1984 ²⁾					Durchschnittlicher jährlicher Zuwachs in vH
	(3) Zuwachs in vH	(4) in Mrd. Mark					(5) 1984 gegenüber 1980
(6) Nettogeldeinnahmen der Bevölkerung ³⁾	3,7	120,9	124,7	128,2	131,1	136,2	3,0
davon:							
(7) Nettolöhne und -gehälter (je Arbeitnehmer in Mark)	.	75,0	77,8	80,3	82,7	86,0	3,5
(8) Renten ¹⁾	.	(9 020)	(9 310)	(9 550)	(9 780)	(10 130)	(2,9)
(9) Sonstige Einnahmen ¹⁾	.	15,8	15,7	15,6	15,5	15,5	-0,5
	.	30,1	31,2	32,3	32,9	34,7	3,6
(10) Sparzulagenzuwachs gegenüber dem Vorjahr	.	2,8	3,2	4,6	5,6	5,5	
(11) Einzelhandelsumsatz, insgesamt	3,7	100,0	102,5	103,5	104,3	108,7	2,1

¹⁾ Einschließlich Beiträge zur freiwilligen Zusatzrentenversicherung. — ²⁾ Renten der Sozialversicherung und aus dem Staatshaushalt. — ³⁾ Vorläufig.
Quellen: Statistisches Taschenbuch der DDR 1983 sowie Schätzungen und Berechnungen des Deutschen Instituts für Wirtschaftsforschung, Berlin.

Key:

- | | |
|---------------------------------------|---|
| 1. Percentage average annual growth | 7. (per employee, in marks) |
| 2. Plan | 8. Pensions |
| 3. In billion marks | 9. Other income |
| 4. 1984 compared with 1980 | 10. Growth of savings deposits by comparison with the previous year |
| 5. Net cash incomes of the population | 11. Total retail turnover |
| 6. Net wages and salaries | |

Footnotes: 1) Including contributions to voluntary supplementary insurance.--
2) Pensions paid by social insurance and the national budget.--3) Preliminary.

Sources: "Statistisches Taschenbuch der DDR 1985" [1985 GDR Statistical Manual] as well as estimates and calculations by the German Institute for Economic Research, Berlin.

Table 3--GDR Foreign Trade by Groups of Countries

	1971— 1975 ²⁾	1976— 1980 ²⁾	1980	1981	1982	1983	1984
	(1) in Mrd. VM ³⁾						
(2) Einfuhr, insgesamt	28,79	53,18	62,97	67,00	69,88	76,20	83,50
(3) Sozialistische Länder ⁴⁾	18,71	35,00	40,09	44,91	47,85	50,64	55,62
(4) RGW-Länder ⁵⁾	17,88	33,42	37,92	42,88	45,79	48,92	53,60
(5) UdSSR	9,77	18,61	22,25	25,81	28,58	30,87	33,82
(6) Westliche Industrieländer ⁶⁾	8,91	15,45	19,19	19,51	18,55	22,37	25,04
(6) Entwicklungsländer	1,17	2,73	3,69	2,58	3,48	3,18	2,84
(7) Ausfuhr, insgesamt	27,39	47,42	57,13	65,93	75,23	84,23	90,40
(3) Sozialistische Länder ⁴⁾	19,92	34,33	39,72	43,64	47,98	53,98	58,67
(4) RGW-Länder ⁵⁾	18,87	32,65	37,38	41,47	45,71	51,37	55,92
(5) UdSSR	10,01	16,80	20,36	24,08	26,58	29,95	33,29
(6) Westliche Industrieländer ⁶⁾	6,35	10,40	13,77	18,33	22,30	24,78	26,33
(6) Entwicklungsländer	1,12	2,69	3,64	3,96	4,95	5,46	5,40
	(8) Salden der DDR ⁷⁾						
(9) Insgesamt	-7,00	-28,80	-5,84	-1,07	5,35	8,03	6,90
(3) Sozialistische Länder ⁴⁾	-6,06	-3,34	-0,37	-1,27	0,13	3,34	3,05
(4) RGW-Länder ⁵⁾	-4,94	-3,83	-0,54	-1,41	-0,08	2,45	2,32
(5) UdSSR	-1,22	-9,06	-1,89	-1,73	-2,00	-0,92	-0,53
(6) Westliche Industrieländer ⁶⁾	-12,84	-25,27	-5,42	-1,18	3,75	2,41	1,29
(6) Entwicklungsländer	-0,21	-0,21	-0,05	1,38	1,47	2,28	2,56

Key:

1. in billion Valuta marks
2. Total imports
3. Socialist countries
4. CEMA countries
5. Western industrial countries
6. Developing countries
7. Total exports
8. GDR balances
9. Total

Footnotes: 1) At prevailing prices; value date fob; purchaser or seller country.--2) 5-year average.--3) Valuta mark--statistical unit of calculation for purposes of the breakdown of GDR foreign trade; conversion rate: 4.67 Valuta marks equal 1 transferable ruble; the conversion rate with Western currencies fluctuated with the parity changes between the ruble and convertible currencies; in effect for 1984 was 1 valuta mark for DM0.742; differences in the totals are due to rounding off of figures.--4) CEMA countries and other socialist countries, specially the People's Republic of China, Yugoslavia, North Korea and Laos.--5) Albania, Bulgaria, CSSR, Cuba, Mongolia, Poland, Romania, USSR, Hungary and, since 1978, Vietnam (included among the socialist countries until 1977).--6) All so-called capitalist industrial countries, in other words OECD countries.--7) "1971-1975" and "1976-1980"; totals of the individual years.

Note: The methodological notes of the GDR Statistical Yearbook have omitted the detailed listing of countries and groups of countries since 1980.

Sources: 1985 GDR Statistical Manual; GDR Statistical Yearbooks; foreign trade yearbooks for CEMA and the various CEMA countries; OECD partner country data; calculations by the German Institute for Economic Research, Berlin.

Table 4--Data on GDR Debts to the West

	1977	1978	1979	1980	1981	1982	1983	1984
	(1) in Mrd. US-Dollar							
(2) Schuldenstand der DDR ¹⁾								
(3) Bankkredite (BIZ/OECD)	5,28	6,79	8,55	9,93	10,73	9,11	8,60	8,54
(4) Öffentliche und öffentlich garantierte Handelskredite (BIZ/OECD)	1,00	1,20	1,30	1,40	1,50	1,62	1,95	1,71
(5) Verpflichtungen aus dem innerdeutschen Handel ²⁾	1,28	1,84	2,13	2,13	1,61	1,57	1,61	1,09
(6) Bruttoverschuldung	7,56	9,83	11,98	13,46	13,84	12,30	12,16	11,34
(7) Guthaben (BIZ)	-0,90	-1,32	-1,96	-2,15	-2,18	-1,99	-3,35	-4,54
(8) Nettoverschuldung	6,66	8,51	10,02	11,31	11,66	10,31	8,81	6,80
(9) Zinszahlungen ³⁾	0,36	0,51	0,82	1,21	1,58	1,11	0,74	0,60
(10) Export der DDR ⁴⁾	2,50	2,86	3,57	4,53	5,44	6,58	7,16	7,00
	(11) Relationen							
(8) Nettoverschuldung								
(12) — je Einwohner in US-Dollar	397	508	598	676	697	617	528	408
(13) — in vH des Exportes	266	298	281	250	214	157	123	97
(9) Zinszahlungen								
(13) in vH der Exporte	14	18	23	27	29	17	10	9

Key:

- | | |
|--|--------------------------------|
| 1. in billion U.S.dollars | 6. Gross debts |
| 2. GDR debt status | 7. Credit balances (BIS) |
| 3. Bank loans (BIS/OECD) | 8. Net debts |
| 4. Official and officially guaranteed trade credits (BIS/OECD) | 9. Interest payments |
| 5. Obligations arising from inner-German trade | 10. GDR exports |
| | 11. Ratios |
| | 12. per capita, in U.S.dollars |
| | 13. as percentages of exports |

Footnotes: 1) As far as statistically shown. At the end of the respective period under review.--2) Accumulated debit balance of the GDR, converted to U.S.dollars.--3) Estimated from net debts (excluding swing). The following average rates were used for interest amounts (see ECE annual reports): 1977:

5.6 percent, 1978: 6.2 percent, 1979: 8.5 percent, 1980: 11.1 percent, 1981: 13.9 percent, 1982: 11.0 percent, 1983: 8.6 percent, 1984: 8.9 percent.--4) To Western industrial countries ("capitalist industrial countries") according to GDR statistics; converted to U.S.dollars via the ruble rate.

Sources: BIS (Bank for International Settlements): Semiannual statistics. Claims and obligations of the reporting banks, excluding inner-German capital transactions, excluding banks not reporting to the BIS, excluding loans by non-banks and supplier credits.--BIS/OECD: Statistics on external indebtedness: Bank and trade related non-bank external claims on individual borrowing countries and territories. Reporting of (official and officially guaranteed trading credits) begins in 1982. 1977-1981: Estimated.--Obligations arising from inner-German trade: Trust Agency for Industry and Trade (TSI)--German Institute for Economic Research, Berlin.

FOOTNOTES

1. See Doris Cornelsen/Manfred Melzer/Angela Scherzinger, "The GDR Economic System: Very Gradual Reforms," in German Institute for Economic Research (publishers), VIERTELJAHRSHEFTE ZUR WIRTSCHAFTSFORSCHUNG (1984), No 2.
2. Maria Haendcke-Hoppe, "Foreign Trade Reform and Foreign Trade Monopoly," in Research Agency for All-German Economic and Social Issues (publishers), FS-ANALYSEN (1985), No 5, pp 5ff.

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

VARIOUS METHODS OUTLINED FOR EXTRACTING FUEL FROM COAL

Leipzig ENERGIETECHNIK in German Vol 35 No 7, Jul 85 pp 268-271

[Article by Dr Gottfried Klepel, WKZ Carbon Chemistry at the VEB "Otto Grotewohl," Boehlen: "Possibilities for Producing Fuels From Coal"; manuscript received 5 February 1985]

[Text] The "possibility" of producing fuels from coal, that is, in the GDR from soft lignites, can be looked at from different viewpoints. The main part of this article will be concerned with technical and raw materials related questions. An economic assessment of the technical possibility of producing coal-derived fuels is, of course, the most interesting statement from the standpoint of the national economy, particularly in comparison with petroleum-derived fuels.

Therefore, a few basic reflections on the economic classification of the processes and products will be given first.

1. It is a fact that, in the case of lignites, a domestic raw material is put to use which does not burden the import balance of the national economy.
2. There is an infrastructure of the materials and energy economy in the GDR which came into being historically, according a significant position to lignite as primary energy carrier for making available electric and thermal energy, which must be maintained or expanded. Thereby, locations and development possibilities of lignite strip mines are set for long periods of time, and if necessary considerable expenditures are required of the national economy for additional coal quantities to be made available.
3. Every decision to produce fuels or organic raw materials from lignites by newly-to-be-created facilities assumes that all possibilities for extended processing of the existing crude petroleum are fully exhausted.
4. The processing of intermediate products obtainable from coal decomposition processes, which can involve great expenditures by the national economy, is to be assessed with consideration of demand by the domestic market and the criterion, difficult to evaluate, of sales in the export market.

Naturally, the technically and technologically worked out variants for production of coal-derived fuels will be economically quantified according to

conditions valid in the GDR. It is also clear to every professional colleague that here ever-higher specific costs are arrived at in comparison with petroleum processing. The specialist literature gives sufficient examples of this.

In what follows, a few brief comments will be made on the international state of development of carbon chemistry processes. Although, because of the trend in petroleum prices, the hectic phase of the renaissance of carbon chemistry of the 1970's is over, the fact remains that alternative processes for production of liquid raw materials and fuels will definitely be needed toward the end of this century and that, according to the specific conditions of the respective country, the use of these processes will occur at different times. For coal the development is concentrated in two main lines: the direct liquefaction of coal by hydrogenation and the indirect through gasification and synthesis. The International Energy Authority (IEA) gives the following evaluation of the pros and cons of both lines; when applied to conditions in the GDR, these are partially correct.

For indirect liquefaction the pros are as follows:

- the possibility of producing various end products,
- industrial experience from plants in operation,
- low dependence on the raw material, and
- simple reaction control.

The following are the cons:

- low thermal efficiency,
- difficulty in producing diesel oil and kerosene, and
- high plant cost.

For direct liquefaction, that is, hydrogenation, the pros are:

- higher thermal efficiency,
- the variable process arrangement for the production of high-octane gasoline, and
- the possibilities of producing kerosene.

The lack of current industrial experience is seen as a disadvantage.

In principle, it is stressed that coal decomposition processes, including their equipment, require a long period of development so that a time horizon well into the 1990's--mentioned for the application of such processes--suits the development schedule.

On the Raw Materials Situation in the GDR

Every variant for a possible industrial, commercial application of new processes for fuels production from lignite can be assessed for the national economy only if the supply of coal, taking into account the site location and the time, in the required quantities and qualities, is taken into consideration with regard to the entire budget of the national economy. It has proved true that under actual conditions in the GDR this viewpoint has a decisive--if not the decisive--effect on overall effectiveness.

In Figure 1 characteristic values of several coalfields are shown. The comparison brings out the following factors:

--It is of fundamental technological importance whether lignites used come from the Lower Tertiary west of the Elbe River or from the younger fields east of the Elbe. These coals differ not only in the generally discussed characteristic values of water, ash, tar, and sulfur content, but also in many petrographic and coal geology properties.

--In the area west of the Elbe there are significantly large coalfields with saliniferous lignites requiring special techniques.

--The lignites from west of the Elbe previously used at Leuna with relatively high tar and low ash contents (now corresponding approximately to the Schleenhain type) are no longer available for new high-tonnage uses.

--It is necessary to include the use of coal grades with poor quality characteristics, chiefly with regard to ash content, in the concept of scientific and technical preparations of new processing techniques.

	Ad (1) (%)	T _{SK} ^{daf} (2) (%)	Na ₂ O+Cl (%) (on a moisture- free coal basis)	Xylites (%)	Gelites (Vol-%)
Peres	10.4	23.5	--	3.3	14.8
Schleenhain	13.6	19.3	--	not determined	not determined
Merseburg-Ost (Merseburg-East)	13.1	16.1	1.9	3.5	4.9
Delitzsch-Suedwest (Delitzsch-Southwest)	19.0	12.2	0.11	10.0	5.8
Jaenschwalde	11.0	10.3	--	13.0	not determined
Fuerstenwalde-Ost (Fuerstenwalde-East)	15.6	9.6	0.13	10.0	36.0

Figure 1. Characteristics of Crude Lignites

Key:

1. A^d = Ash^{dry basis}
2. T_{SK}^{daf} = Tar^{dry, ash-free basis}
low-temperature carbonization coke

On the Chemistry of Coal Decomposition Processes

Figure 2 shows basic problems in converting lignites into hydrocarbon mixtures (KWS-), that is, the high content in heteroatoms (O,S,N) and the relatively low hydrogen content in comparison with other fossil fuels.

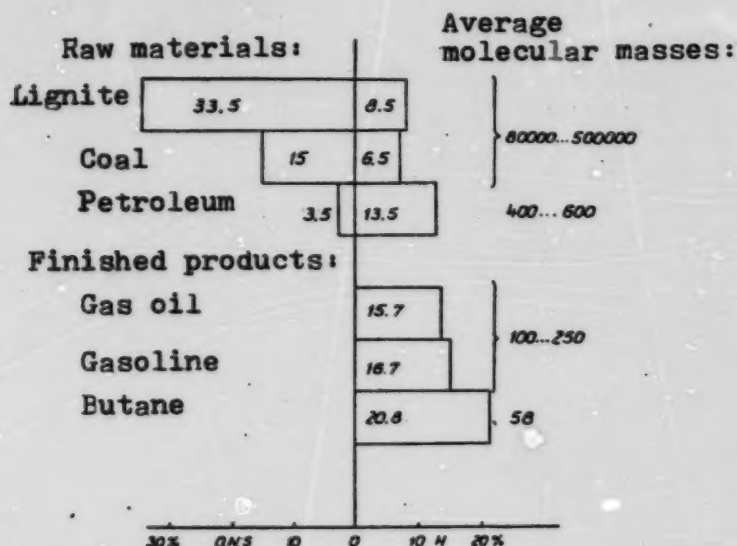


Figure 2. Average Molecular Mass and O, N, S, and H Content of Individual Raw Materials and Finished Products, According to M. Pier

Two fundamentally different technological courses and the corresponding totally different chemistries are shown in Figure 3. The desired end products can in principle be made just as well by the hydrogenation route--that is, to obtain the desired molecular size by the directed degradation of the organic coal substance while at the same time changing the H:C ratio by H_2 addition--as by the "brutal" conversion of the coal substance into a CO/H_2 mixture through gasification reactions and the following synthesis of hydrocarbon mixtures.

The effectiveness of technical solutions for these two (in principle) routes of coal decomposition depends to a varying extent on the coal substance and its impurities, which can be caused by coal geology, petrography, and also by mining technology.

Figure 4 shows the H:C ratio and the heteroatom content as a measure of the degree of decomposition of the lignite substance for different processes and intermediate products. The composition of the low temperature carbonization products represents the bitumen and resinous coal components and requires intensive hydrogenation for processing to hydrocarbon mixtures (fuels).

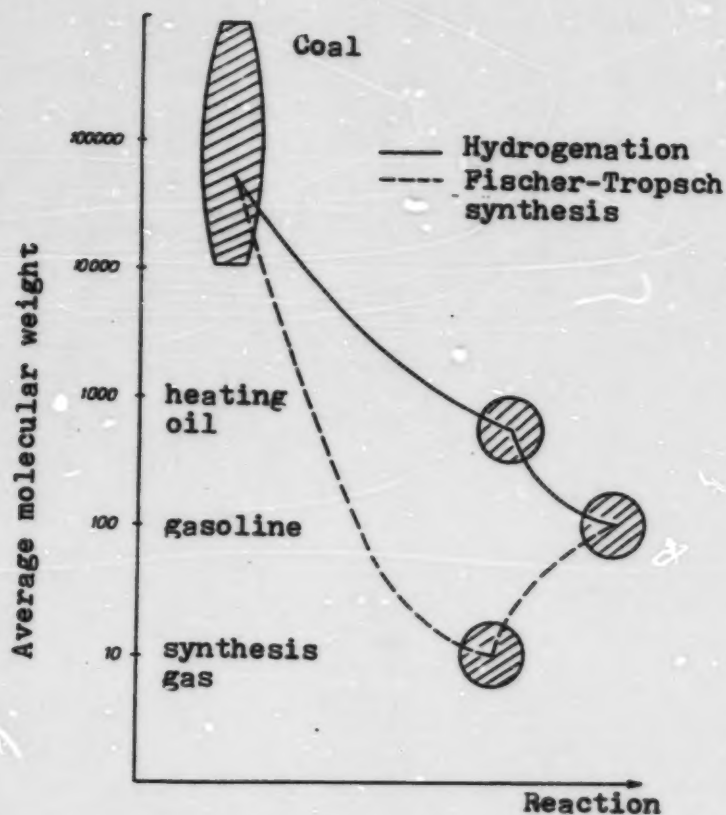


Figure 3. Reaction Courses in Coal Hydrogenation and Gasoline Synthesis

Product	Grams H per 100 Grams C	O, S, N Content in percent
Lignite	8.8	20.8
Low-temperature carbonization tar processing:		
Low-temperature carbonization	11.6	9.3
Sump phase stripper	13.6	1.5
Gas phase stripper	16.6	0.1
Coal hydrogenation:*		
Coal used	6.5	21.3
Stripper to 300°C	14.5	2.4
Stripper 300...400°C	14.0	2.1
Stripper above 400°C	12.5	1.9
Motor gasoline	17.6	0.4

*Continuous pilot plant 5 kilograms/hour, 10 mega pascals [pressure], 425°C, molybdenum catalyst; coal used: Merseburg-East.

Figure 4. Coal Used at Merseburg-East

In coal hydrogenation different process principles are commonly known with regard to the degree of decomposition of the coal substance. Of course, the ideas on the end product which can be achieved vary correspondingly.

Catalytic high-pressure hydrogenation (Bergius-Pier principle) probably takes precedence for the production of fuels.

The end product of the hydrogenation process as such--the hot decanter head product--is better suited for hydro-treating than the low-temperature carbonization tar, that is, the expenditure for producing basic fuel components is lower; it is represented approximately in the figure by the stripper product to 300°C (normally what boils over to 325°C). Other hydrogenation conditions--for instance, according to the principle of mild hydrogenation (Uhde), hydrogenation with H₂ donors (Pott-Broche) or decomposition with CO/H₂ mixtures--yield decomposition products which in principle have a higher content of heteroatoms and a less favorable H:C ratio with respect to fuel production.

It is to be stressed particularly that such decomposition products can be quite advantageous for the production of phenols, paraffins, electrode coke or merely improved fuels. There is relevant international experience for this. In the GDR as well, work is in progress on the full utilization of possibilities for hydrogenating domestic lignites (saliniferous lignites also).

In connection with the chemistry and coal quality, further aspects are to be taken into consideration with a view to possible fuel production.

In gasification processes with regard to the premise of producing CO/H₂ mixtures for syntheses, one can from the outset be oriented to processes which result in total gasification to these end products, that is, processes with high gasification temperatures. Such technology opens up the possibility of using saliniferous lignites, because liquid slag discharge is required in any case. Saliniferous lignites are known to form low melting ash eutectics in thermal processes in the intermediate temperature range, which limits the industrial application of these lignites.

The possibility in principle of processing saliniferous lignites from the viewpoint of ash behavior certainly does not mean that many special research problems will not have to be solved successfully in order to manage the effect of alkali salts (often including chlorides), from mine to waste dump, in a way that is not harmful to the environment.

A possibility of desalting according to the principle of the hydrothermal process was found for the hydrogenation process, although at this time it cannot be assessed as economical.

In the hydrogenation of saliniferous lignites which are not pre-treated, on which work is going on, corrosion problems occur just as in gasification throughout the whole chain of processing steps; in the case of hydrogenation these are made more difficult by the high pressure range and the special problem of carbonyl formation.

If one leaves aside the special problems of saliniferous lignites, one must assume in the choice of a coal decomposition process in relation to coal quality that a modern productive pressure dust gasification process takes precedence over the hydrogenation process, in any case from the viewpoint of the requirements of coal quality. This holds true particularly under the above-mentioned conditions in the national economy of the GDR.

Further Progress in Coal Hydrogenation

It was shown up to now that, in connection with clarifying the possibility of producing fuels from lignites, a certain state of development with respect to available raw materials and the processes to be developed has been reached. Appropriate specific research and development work has been assigned. In shaping processes, experience available in the GDR and that which can be obtained from the literature was analyzed and evaluated. Development groups are working intensively under the direction of the Chemical Plant Construction [organization] of the GDR and by making use of pilot plants of different orders of magnitude. In this, priority is given to work on problems of adaptation of the hydrogenation process to available coal, the development of new process steps and the special analysis of coal decomposition products. Under the control of governmental institutions, cooperation is ensured from all appropriate research institutions of the combines, the Academy of Sciences of the GDR, and the universities. Establishment of an industrial pilot plant of appropriate size is at present under intensive preparation.

As regards content, the main emphasis of the development work is in the preparation of process steps for adaptation of the process to the coal actually available, in the optimization of energy and material economics--chiefly the process steps for processing the decomposition product--and in the development of process equipment and machines for special high-pressure conditions. All in all, the possibility that fuels can be produced in large quantities for the national economy of the GDR by the route of hydrogenation of lignites, when the key points of development mentioned have been solved, is today not out of the question.

Coal Gasification and Synthesis Gas Processing

Today, synthesis gas production and utilization already constitutes an important support of the GDR's chemical industry. At present the total capacity of all synthesis gas generation plants in the GDR is approximately 5 billion cubic meters a year; of this, 62 percent is produced from natural gas and 18 percent from lignite low temperature carbonization coke, which is gasified according to the Winkler process in Leuna and in Zeitz. In addition, fixed-bed pressure gasification, tied to the use of briquettes and lump lignite, is used for city gas generation in the VEB Black Pump Gas Combine. Both coal gasification processes operated in the GDR are strongly dependent on the quality of the gasifier feed. At present, the reconstruction of the Winkler Plant at Leuna is under preparation. Moreover, as already explained, a new gasification process is under development at the VEB Black Pump Gas Combine which will suit internationally accepted requirements for up-to-date gasification technology.

The design of up-to-date gasification technology of course includes appropriate gas preparation facilities for conditioning and purifying the raw gas for chemical syntheses for the production of fuels, because the CO/H₂ ratio and the purity of synthesis gas decisively affect the yields and service life of the catalysts.

The purified coal-derived synthesis gas can be fed into the existing infrastructures which process CO/H₂ mixtures, that is, the syntheses of fuel components are not dependent on the processing of coal-derived gases. However, in order to make coal competitive with other energy carriers, natural gas and petroleum, new highly effective syntheses must be developed for the production of fuels.

This is shown by the numerous articles in the area of CO/H₂ and methanol chemistry which report on new synthesis routes, which are of course also relevant to the GDR. These new developments are characterized by:

- Shortening of synthesis routes (for example, direct synthesis),
- Replacement of high pressure processes by intermediate and low pressure processes (for example, low pressure methanol synthesis),
- Use of selective catalysts with great structural differentiation (for example, zeolite catalysts).

Figure 5 shows various possibilities for producing fuels via the key product methanol. To extend methanol use, it must be produced in large quantities, for which only an up-to-date low pressure process should be considered. These can be considered for fuel production from methanol:

--The M-100 technology, that is, the use of pure methanol as a fuel. To carry out this variant, development of engines and construction of cars is absolutely required.

--Mixture technologies, that is, the addition of methanol to conventional motor fuel. National economy decisions are required for this because changes arise all along the line from the storage and distribution system to construction of cars; these relate chiefly to the problem of materials compatibility and the physicochemical properties of the methanol-gasoline mixture.

--The third possibility is the conversion of methanol into hydrocarbons over ZSM-5-zeolites. This process has not been tested on an industrial scale. The fuel can be used directly without adaptation measures. The main risk of this transformation is, however, in the large exothermicity of the reaction (45 to 60 kilojoules per mol), which last but not least also affects the service life of the catalysts. The process can also be steered in the direction of chemical raw materials such as olefins and aromatics, by modification of the catalyst and reaction conditions.

--The acid-catalyzed reaction of branched olefins with methanol to ethers leads to products which make excellent motor fuel components and can be added to conventional fuel up to 20 percent without adaptation measures.

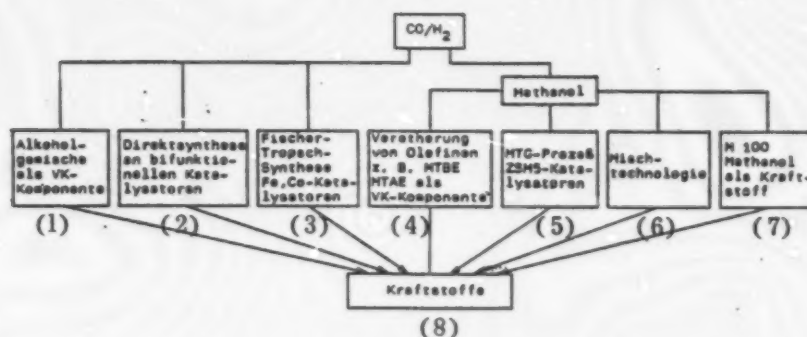


Figure 5. Possibilities for Producing Motor Gasoline From Synthesis Gas

Key:

1. Alcohol mixture as motor gasoline components
2. Direct synthesis over bi-functional catalysts
3. Fischer-Tropsch synthesis Fe, Co catalysts
4. Ether synthesis from olefins, for example, MTBE, MTAE as motor gasoline components
5. MTG [methanol to gasoline] Process ZSM5 catalysts
6. Mixing technology
7. M 100 methanol as a fuel
8. Fuels

To produce fuel components directly from CO/H₂ mixtures, three possibilities can be considered in particular:

1. The Fischer-Tropsch synthesis known for decades. This is, however, at this time operated industrially only in South Africa because of the favorable conditions existing there.
2. Conversion of CO/H₂ mixtures directly to hydrocarbons over metal-modified zeolites is possible. This can also be carried out in two steps. The entire reaction is highly exothermic.
3. The possibility also exists of building the CO molecule entirely into the end products. The synthesis of alcohol mixtures from synthesis gas is known. Such alcohol mixtures can be mixed with the fuel as a motor fuel component. In addition, in case of introduction of a mixing technology (for example, M 15), they are absolutely required as solubilizers.

These explanations should have expressed the fact that the route of fuel production by way of gasification--chiefly of saliniferous lignites--and synthesis under actual conditions in the GDR can have equal significance with hydrogenation, where here as well considerable development work remains to be done. For this line of development also, all necessary research and development work has been initiated, under central control so that economically based decisions can be made in as short periods of time as possible. Similarly to the hydrogenation route, the total expenditures by

the national economy for coal decomposition up to the distribution system of the end products is being looked at.

In line with the spirit of the subject matter, it is to be established in conclusion that there are possibilities, in principle, for the production of fuels from lignite in the GDR, that the required decisions for the scientific and technical preparation of possible routes have been made, but that decisions of serious import for the national economy on the construction of large plants cannot yet be made and are at present not yet required.

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ECONOMY

HUNGARY

INCOME REGULATION OF ENTERPRISES IN 1986 DISCUSSED

Budapest PENZUGYI SZEMLE in Hungarian No 1, Jan 86 pp 19-24

[Article by Ella Ronaszeki: "Regulation of Enterprise Income in 1986"]

[Text] Following the significant, overall modification of the system of economic management and system of economic regulation as of 1 January 1985, the intention was expressed not to introduce in the system of economic regulation any essential changes affecting its basic principles, until the long-range objective could be realized that has been formulated in the elaborated comprehensive concept of developing further the system of economic management, i.e., to transfer to the sphere of circulation a significant proportion of the taxes now burdening the sphere of production, and to modify thereby the structure of net income. However, we can expect such sweeping changes in the tax structure only in the second half of the 7th Five-Year Plan. But even until then, of course, minor modifications in the system of economic regulation and changes in its rates may be necessary, for a number of reasons.

The 7th Five-Year Plan beginning in 1986, and its principal economic-policy objectives warrant certain rate corrections in the tools of the system of economic regulation.

Moreover, fairly many temporary concessions were built into the system of economic regulation in 1985, because some areas were unable to adapt immediately to the changed requirements. We announced already then that these concessions would be temporary.

Finally, practical experience since the regulators' introduction has revealed the need of minor corrections.

Our aim when drafting the modifications for 1986 in the system of economic regulation has been twofold:

--One important objective has been to better enhance, through the system of economic regulation, the assertion of certain economic and social preferences (such as export-oriented development projects, for example), without jeopardizing domestic and external economic equilibrium. As an important tool for achieving this objective, it has been proposed to reduce the rather high rate of the accumulation tax, in such a way that the necessary resources will be ensured by dismantling the temporary tax concessions.

--The other important aspect has been to really avoid major changes and another rearrangement. Thus a modification that in fact had already been announced for 1986--namely, to base on wages the municipal or community development contributions [local taxes], respectively to raise the rate of the payroll tax--has been shelved, on the basis of investigations conducted during the year.

The preliminary investigations revealed that the dismantling of the temporary concessions would be possible only on a much smaller area than imagined originally, due in part to slower adaptation and in part to the worsening conditions. Work on drafting the national economic plan for 1986 proceeded parallel with these investigations. And as a part of annual planning, the foreseeable development of the economic processes in 1985 called attention to several important unfavorable trends.

Industrial production and farm production are falling significantly short of the plan; the input costs per unit of output, and energy consumption are developing unfavorably. Within nonruble-denominated commodity trade, the expansion of export is likewise falling well short of the plan, while import is rising significantly over recent years and in comparison with the plan as well. It can be established that the necessary improvement of economic performances is not being realized. Of the plan's principal objectives, essentially only the ones pertaining to national income's domestic use and the balance of ruble-denominated trade are being realized. But production, national income, and nonruble-denominated commodity trade are developing less favorably than what the plan calls for.

For all the mentioned reasons, there are unfavorable trends also in the processes of generating fiscal revenue that are reflected in the state budget, in a concentrated manner. Due to the shortfalls in production and export in comparison with the plan, and to the decline of efficiency, transfers of revenue by business organizations to the state budget are below the estimates. The costs of energy imports in excess of the plan, the subsidies for energy production, and the decline of world-market prices affecting farm and food-industry exports have all had an unfavorable impact on the state budget's balance, respectively they have not made possible the planned centralization of incomes.

It is difficult to assess unambiguously to what extent and how long the unfavorable results of the economy's development in 1985 will affect the economic processes in the coming years and next year in particular. The efficiency-reducing, disequilibrating and growth-retarding effects of certain factors (the exceptional consumption and imports of energy, and the production dropouts due to the severe winter, for example) will presumably cease. And, in all likelihood, the worsening trends of some of the other factors can be expected to stop.

In the economic processes of 1985, however, there are also unfavorable factors which are more difficult to change, and which will certainly make themselves felt also in the coming years, particularly in 1986. Such factors are primarily production's unsuitable structural adaptability; and, in the difficult situation, the producers' unsatisfactory or not sufficiently successful efforts to expand export denominated in convertible currency and to cut production

costs. The progress that can be achieved in these areas will continue to determine to a large degree the attainable rate of economic growth and the extent of economic equilibrium's improvement.

The worsening net balance of the relations between the state budget and the enterprises poses a special problem. The centralization of income in the state budget will foreseeably fall 1.5 percent short of the plan in 1985, and there will be a further decline of about 3 percentage points in 1986 if no measures are adopted to prevent it.

These figures present in a new light the enterprises' general belief that the tax system burdens the enterprises excessively and in practice deprives them of any room for maneuvering. When we speak of centralization, of course, we have to take into consideration not only the income that the state budget withdraws from the enterprises, but also the grants and subsidies which the state budget returns to the productive sphere or which increase the enterprise sphere's income. The real problem is that the grants and subsidies are increasing in 1985 and in 1986 as well. Under these conditions the state budget's deficit would swell intolerably in 1986.

Naturally, a balanced budget in itself is not some priority of economic policy. But it is essential to ensure the income which will have to be withdrawn from the economy to cover the budgetary deficit, and also for the minimal reduction of our total foreign debt as specified in the national economic plan. The ensuring of this income, and a tolerable budgetary deficit, will depend on the ability of the other two large spheres of income recipients--the population and the enterprise sphere--to save enough to finance these two things, by recycling their savings through the credit sphere. Under the present conditions, we cannot realistically and reliably expect such an ability to save, and forced savings have to be avoided at all cost. In this way our budgetary deficit and its magnitude are directly related to our international financial obligations and external equilibrium. This is the reason why the budgetary deficit may not exceed a certain limit. But in view of the fact that another of our very important objectives--besides stabilizing the net balance of our budget and national economic equilibrium in a broader sense--is to produce the conditions for more dynamic development, we had to make the modifications of income regulation for 1986 serve both of these objectives simultaneously.

The modifications for 1986 in the system of enterprise income regulation affect neither the basic principles of the system of income regulation introduced as of 1 January 1985, nor the tax structure. The change is more of a corrective nature, comprises modifications of the rates within the system of economic regulation and of some of its specific solutions, and serves several objectives.

Incentive Cuts, Restrictive Increases of Certain Normative Tax Rates

The rates of certain normative taxes will change in 1986. Their corrections jointly will serve two main objectives: Realization of economic policy's main priorities must be enhanced also by modifying the system of economic regulation, but this must be achieved in a way that will not prejudice the national economic plan's requirements regarding domestic and external equilibrium. In the present economic situation this can be solved only through a combination of restrictive tax increases and incentive tax cuts.

To promote structural policy and improve external economic equilibrium--and within this particularly to provide long-term incentives for the expansion of export denominated in convertible currency--the rate of the accumulation tax on investment projects for the expansion of export, and on specified investment projects under certain preferential programs of economic development, is being reduced from 18 percent at present, to 8 percent as of 1 January 1986. This abatement of the accumulation tax on investment projects for the expansion of export will be granted under a system of competitive bidding. The enterprises and--on behalf of the government--the Ministry of Foreign Trade will conclude agreements on increasing the export from investment projects for its expansion. In addition to specifying the efficiency requirements that the investment projects must meet and the granted tax abatement, the agreements will also contain the enterprises' obligations.

Should the enterprise fail to fulfill the conditions specified in the agreement, it will have to pay, retroactively and in one sum, the difference between the generally applicable rate of the accumulation tax and its preferential rate.

If the government or its committee so decides, the 8-percent rate of the accumulation tax may also be applied to specified investment projects under certain preferential programs of economic development (e.g., the programs for the rationalization of energy consumption or for economization in the use of materials).

As of 1 July 1986, the general rate of the accumulation tax will be reduced to 15 percent, from 18 percent at present. This measure will serve to stimulate the process of capital accumulation or will provide the prerequisites for it.

The reduction of the general rate of the accumulation tax and its preferential abatement will add approximately 4.0 to 4.5 billion forints to the enterprises' resources for development.

However, the incentives provided in the interest of structural change and more dynamic development have had to be combined also with regulatory measures of a restrictive nature. To stabilize the national economy's external and domestic equilibrium and the state budget's net balance, and to produce the resources necessary to stimulate the priorities, it has been necessary to increase by 5 percentage points the rate of the enterprises' linear profit tax, and from 35 to 38 percent the income-tax rate of small cooperatives subject to gross income regulation. The increase of the profit tax, respectively of the income tax, will have a positive effect on the state budget's net balance already in 1986, but its restrictive effect on the enterprises' resources for development will be felt only later, in 1987.

Measures to Stimulate Flow of Capital, Equipment

In 1986, as a part of the elaborated comprehensive concept of perfecting the system of economic management, several new measures have been introduced that will promote, in 1986 and thereafter, the flow of capital and equipment in the economy. The effectiveness of these measures is being enhanced also by incentives provided within the system of economic regulation. The more important

measures in this group are as follows: a further increase of the role of commercial capital and the perfection of its system of institutions; introduction of the system of state development-fund grants; and, with the help of regulators, the encouragement of machinery and equipment leasing.

To aid the flow of capital, the commercial house will be a new type of business organization that combines the functions of marketing, production, farming out production, financing and lending.

The commercial house can become a close link between the foreign and domestic markets on the one hand and production on the other, respectively an attractive form of moving idle capital. Business organizations will have to undertake to establish commercial houses on the basis of their own interests. But we will encourage the initial spreading of this form also with the tools of economic regulation, with temporary concessions (that do not distort the real economic interests and do not violate the requirement of economic efficiency).

At the time of establishing a commercial house, its charter members may claim a one-time profit-tax deduction that may not exceed 5 percent of the profit on which the tax is based. In addition to this one-time profit-tax deduction for the charter members, the commercial houses themselves are entitled to temporary tax concessions during the first years of their operation. Such concessions are:

--Temporary exemption from property tax: complete exemption during the first two years, and 50-percent exemption during the third year;

--Profit tax abatement: commercial houses pay 50 percent of the general profit tax the first year of their operation, 75 percent the second year, and 90 percent the third year.

Enterprises are free to establish commercial houses if they so choose. But to qualify for the tax concessions, a commercial house, respectively its charter members, must meet the following conditions:

--The investment or share of any charter member may not exceed 50 percent of the joint assets or capital stock of the commercial house; and

--The commercial house must function as an incorporated business association or a corporation.

The minister of finance approves the tax concessions, on the recommendation of the ministers of domestic trade and foreign trade.

A measure intended to stimulate the circulation of used fixed assets exempts from the payment of accumulation tax the purchase of fixed assets capitalized before 1 January 1985, and also the acquisition of fixed assets on which one of the previous owners has already paid accumulation tax. This measure will facilitate the easier transfer or better utilization of fixed assets when the product mix is changed, an activity is phased out, or an enterprise undergoes liquidation.

Tax abatement for the leasing of machinery and equipment supplements the rules of enterprise income regulation. Accordingly, as of 1 January 1986, enterprises, financial institutions, cooperative savings associations, and banks will pay accumulation tax uniformly at a favorable rate of 8 percent on the machinery and equipment they acquire for the purpose of leasing them. The more favorable tax treatment of equipment leasing will enable enterprises to respond faster and more flexibly to changes in market demand; and to gain access, temporarily even without investment outlays, to the machinery and equipment they need for changing their product mix. Furthermore, it will be easier to utilize in other areas the surplus equipment of a given plant.

Supplementing the existing forms of financing, the system of development-fund grants by the state is a new form of state participation in the financing of investments.

In the case of energy-related (fuel-industry and electric-power-industry) development projects among the investment projects that are decided centrally, the state has broadened the possibilities of the existing forms of financing by adding the method of development-fund grants. Accordingly, the own resources of enterprises that undertake such investments may be supplemented by development-fund grants from the state, for which the enterprises must pay a fixed and a variable (exceptionally only a fixed) annuity. The source from which the variable annuity is paid is the enterprises' pretax profit. This annuity may be specified as a percentage of the sum of the annual balance-sheet profit plus the annual depreciation charge, with due consideration for the ratio of enterprise assets from the development-fund grant to the enterprise's own assets augmented by the development-fund grant.

As state aid for enterprise investments, the development-fund grant provided by the state may amount to as much as the Hungarian partner's capital contribution when founding a new enterprise, decentralizing an existing one, or in the case of a joint enterprise abroad. As a rule, however, the development-fund grant provided by the state may not exceed 30 percent of the total investment cost. This limit may be exceeded in the fuel and electric power industries, the lime and cement industry, the brick and tile industry, and in the case of public utilities. In exceptional cases, the Council of Ministers may waive this rule. When the state provides development-fund grants for investments that are not decided centrally, a variable annuity alone may be specified, without a fixed annuity.

Regulation of Activities Enjoying Economic or Social Priority

A typical group of modifications in the system of economic regulation comprises tax concessions that are associated with specified economic or social priorities and affect certain types of activity, rather than a particular sector or specialized subsector. Such tax concessions are as follows:

--To ease the financial burden that the training of apprentices places on the enterprises and as an incentive for such enterprise activity, investments that are intended specifically for the training of apprentices are exempt from property tax and accumulation tax. Furthermore, the scholarships and wages paid in

conjunction with the training of apprentices are exempt from wage tax, respectively the scholarships that small cooperatives give their apprentices are not subject to income tax.

--To aid the occupational rehabilitation of disabled workers, business organizations are entitled to a grant for this purpose and may place the grant directly in their incentive fund. At the enterprise this provides the resources for hiring more disabled workers. Furthermore, the earnings of disabled workers are exempt from tax on earned income.

--As an incentive to stimulate housing construction, enterprises may claim a profit-tax credit of 20,000 forints in general, but 24,000 forints in Budapest, for every housing unit they accept as completed. Every enterprise subject to enterprise income regulation is entitled to claim this tax credit.

--In the interest of preserving folk customs, the production of folk art and of traditional cottage industry products as an economic activity is entitled to profit-tax abatement.

--To provide more support for retail trade in small settlements, business organizations of domestic trade operating in such areas are entitled to profit-tax abatement.

--To make them more viable, the specialized subsectors of the retail food trade, grocery trade and catering, and the consumer cooperatives belonging to the grocery trade subsector may claim as a credit against their profit tax 50 percent of their cost increase due to higher rent (or 100 percent specifically in the case of retail food stores).

--In the case of seasonal food stores, the shift premiums, the premiums for store hours on Sundays and holidays, and the overtime premiums are exempt from payroll tax.

--The measure that exempts from excess profit tax as of 1 January 1986 the activities of technological planning and investment project management, performed as hard-currency export, is intended to make these activities more competitive.

Reduction, Abolition of Tax Concessions

An important objective in modifying income regulation for 1986 was to reduce or abolish the tax concessions that the new system of income regulation had granted the enterprises temporarily at the time of its introduction in 1985, to help them adapt gradually.

However, the 1986 modifications have been able to achieve this objective only partially. The enterprises' adaptation to the new and stricter requirements of economic efficiency is being extended, and progress is slower than necessary.

In several areas--thus in the building construction industry, at research institutes, at certain R&D enterprises, in the foreign-tourist industry, and at

the Cultured People Book Distribution Enterprise and the State Book Distribution Enterprise--the payroll-tax concession has ceased as of 1 January 1986 or will cease gradually in 1987.

In four specialized subsectors of the textile industry (namely in the cotton industry, the wool industry, the flax, hemp and jute industry, and the silk industry), and also in highway and air transportation, the property-tax concession has been reduced or terminated as of 1 January 1986. In the textile industry, the enterprises concerned will themselves have to earn sufficient additional resources to compensate for the reduction of their property-tax concession. In highway and air transportation, the enterprises will have to earn the resources to absorb a third of the additional burden resulting from the termination of their property-tax concession. We are offsetting the remaining two-thirds of the additional burden by reducing the excess profit tax in highway transportation, and with budgetary subsidies in air transportation. The property-tax concession is being phased out (gradually through 1988) also in the specialized subsector of housing and utilities construction.

Corrective Modification of Some Rules

On the basis of the experience gained during the first year of the new system of economic regulation, corrective modifications of some of its rules have become necessary. The more important of these corrective modifications are as follows:

--To reduce the shortfall of tax revenue, as of 1 January 1986 there will be a technical change in the source from which payroll tax is paid: next year this tax will have to be paid from the incentive fund, rather than from the profit after taxes.

--The social-security contributions on the scholarships and sport-staff wages paid from the cultural and social services fund must also be paid from this fund; the resources for paying the social-security contributions may be charged to cost and placed in the cultural and social services fund.

--The wages for work performed under a voluntary work drive are exempt from payroll tax.

--Before devising new rules for economic rehabilitation or liquidation, it has become necessary to modify the way in which the enterprises' debts and fund deficits are settled, so that it will conform to the 1985 regulation of enterprise income. To this end, streamlined rules on settling the enterprises' debts and fund deficits will be included in the decree regulating enterprise incomes.

--Modification of the rules governing cooperative members' shares and special-purpose shares reflects recognition of the peculiarities of cooperatives. As of 1 January 1986, there will be no statutory restriction on the amount of the special-purpose share a person may buy annually, and the maximum interest payable on a member's share and the amount of dividend per special-purpose share will be in harmony.

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FUNDS FOR NONECONOMIC SECTOR PROJECTS IN 1986 BUDGET

Belgrade SLUZBENI LIST SFRJ No 75, 31 Dec 85 pp 2304-2305

[Order adopted by the SFRY Assembly in Belgrade 27 December 1985 and signed by Ilijaz Kurteshi, president of the SFRY Assembly, and Dr. Miodrag Trifunovic, president of the Federal Chamber: "order on distribution of resources for noneconomic investments set forth in the federal budget for 1986"]

1. The funds for noneconomic investment set forth in the Federal Budget for 1986, in the amount of 8,000,000,000 dinars [original reads "8,000,000"] are to be distributed among the following beneficiaries:

No.	Beneficiary and Purpose	Dinars
<u>1</u>	<u>2</u>	<u>3</u>
1.	SFRY Assembly	
	- purchase of equipment necessary for the work of the staff services	170,000,000
2.	Federal Executive Council	
	- share of the Federation in building the room for holding ceremonies at the Belgrade airport	45,000,000
	- work to connect the museum to the heating system and work on the old museum (Josip Broz Tito Memorial Center)	30,000,000
	Department of the Federal Executive Council for Defense Preparations	
	- completion of the projects envisaged by law	85,000,000
3.	Federal Secretariat for Foreign Affairs	
	- necessary repair of buildings of our diplomatic and consular missions abroad	600,000,000
4.	Federal Secretariat for Internal Affairs	
	- modernization of the service	600,000,000
	Security Institute	
	- modernization of the service	250,000,000
5.	Federal Secretariat for Jurisprudence and Organization of the Federal Administration	
	Data Processing Bureau of Federal Bodies and Agencies	
	- modernization of the service	50,000,000
6.	Federal Secretariat for Information	
	- construction and modernization of the technical facilities	
	Radio Yugoslavia	700,000,000

7.	Federal Secretariat for Transportation and Communications	
	- capital investment work and purchase of equipment and technical requisites for regulation of the Danube from Belgrade to the Yugoslav-Hungarian border	200,000,000
	- modernization of the Institution for Maintaining Inland Waterways	100,000,000
	- modernization of the Institution for Maintaining Seaways	250,000,000
	Federal Flight Control Administration	
	- modernization of the service	1,500,000,000
	Federal Radio Communications Administration	
	- modernization of the service	100,000,000
8.	Federal Committee for Labor, Health and Social Welfare	
	- for temporary safe storage of radioactive waste	146,000,000
9.	Federal Customs Administration	
	- modernization of the service	800,000,000
	- share in building the border crossing at Gradina	200,000,000
	- share in building the border crossing at Dojran	140,000,000
10.	Federal Bureau for International Scientific, Educational and Cultural, and Technical Cooperation	
	- modernization of the service	20,000,000
11.	Federal Hydrometeorology Bureau	
	- modernization of the service	150,000,000
12.	Federal Bureau for Standardization	
	- modernization of the service	20,000,000
13.	Federal Bureau for Patents	
	- modernization of the service	10,000,000
14.	Federal Bureau for Weights and Measures and Precious Metals	
	- modernization of the service	54,000,000
15.	Yugoslav Archives	
	- building repairs	20,000,000
16.	Department for Rendering Services to Meet the Entertainment Needs of Federal Bodies and Agencies	
	- annual payments on two diesel locomotives and purchase of equipment	50,000,000
17.	Department for Air Transport of Federal Bodies and Agencies	
	- to continue work on hangar adaptation and for purchase of equipment	100,000,000
18.	Administration for Management of Office Buildings of Federal Bodies and Agencies	
	- repair and adaptation of office buildings	300,000,000
19.	Garage of Federal Bodies and Agencies	
	- for construction of the open shed and other investment purposes	50,000,000
20.	Translation Department	
	- modernization of the service	40,000,000
21.	Yugoslav Red Cross	
	- repair of the office building	220,000,000
22.	Housing Construction of Federal Bodies and Agencies and Federal Organizations	1,000,000,000

2. The funds set forth under Number 22 in Paragraph 1 of this order are to be used to carry out the Program for Acquisition of Housing to Meet the Needs of Federal Bodies and Agencies over the Period from 1986 to 1990.

3. This order shall take effect on the eighth day after publication in SLUZBENI LIST SFRJ.

7045

CSO: 2800/156

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INTEREST-FREE LOANS, OTHER PAYMENTS TO FUND FOR UNDERDEVELOPED

Belgrade SLUZBENI LIST SFRJ in Serbo-Croatian No 5, 7 Feb 86 pp 115-116

[Decisions of the Assembly of the Federal Fund for Credit Financing the Faster Development of the Economically Underdeveloped Republics and Autonomous Provinces adopted 23 January 1986 in Belgrade and signed by the president of the fund's assembly, Tone Krasovec]

[Text] Decision Fixing the Amount of the Interest-Free Loan Which the Republics and Autonomous Provinces Are To Furnish and Make Payable to the Federal Fund for Credit Financing the Faster Development of the Economically Underdeveloped Republics and Autonomous Provinces in 1986

1. The resources of the interest-free loan to the Federal Fund...being furnished by the republics and autonomous provinces pursuant to Article 2, Paragraph 1, of the Law on Postponement of Payments Against Credits Extended to Organizations of Associated Labor in the Socialist Autonomous Province of Kosovo out of the Resources of the Federal Fund for Credit Financing the Faster Development of the Economically Underdeveloped Republics and Autonomous Provinces Coming Due 1 January 1986 (hereinafter "the Law") for 1986 are hereby fixed in the amount of 6,506,255,000 dinars.

2. The amount of the resources referred to in Point 1 of this decision shall be furnished as follows:

<u>SR's and SAP's</u>	<u>In Dinars</u>
SR Bosnia-Hercegovina	819,788,130
SR Montenegro	144,438,861
SR Croatia	1,683,818,794
SR Macedonia	329,867,129
SR Slovenia	1,033,843,920
Serbia proper	1,675,360,662
SAP Kosovo	113,208,837
SAP Vojvodina	705,928,667
Total	6,506,255,000

3. This decision shall take effect on the date of publication in SLUZBENI LIST SFRJ.

Decision on the Annual and Monthly Advance of Resources of the Federal Fund for Credit Financing the Faster Development of the Economically Underdeveloped Republics and Autonomous Provinces for 1986

1. The level of the annual advance of resources of the Federal Fund for Credit Financing the Faster Development of the Economically Underdeveloped Republics and Autonomous Provinces for 1986 (hereinafter "the Fund") is hereby established in the following amount:

<u>SR's and SAP's</u>	<u>In Millions of Dinars</u>
SR Bosnia-Hercegovina	34,059.5
SR Montenegro	5,125.2
SR Croatia	62,171.4
SR Macedonia	14,199.1
SR Slovenia	40,012.4
SR Serbia	86,702.0
Breakdown:	
Serbia proper	55,542.5
SAP Kosovo	5,739.3
SAP Vojvodina	25,420.2
Total	242,269.6

2. The republics and provinces will furnish the amount of resources referred to in Point 1 of this decision by pooling labor and resources and by paying the mandatory loan to the Fund in the following annual and monthly amounts:

<u>SR's and SAP's</u>	<u>Pooling of Labor and Resources</u>		<u>Mandatory Loan</u>	
	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
SR Bosnia-Hercegovina	18,797.4	1,566.4	15,262.1	1,271.9
SR Montenegro	2,828.6	235.7	2,296.6	191.4
SR Croatia	34,312.4	2,859.4	27,859.0	2,321.6
SR Macedonia	7,836.5	653.1	6,362.6	530.2
SR Slovenia	22,082.8	1,840.2	17,929.6	1,494.1
SR Serbia	47,850.8	3,987.6	38,851.2	3,237.6
Breakdown:				
Serbia proper	30,653.9	2,554.5	24,888.6	2,074.1
SAP Kosovo	3,167.5	264.0	2,571.8	214.3
SAP Vojvodina	14,029.4	1,169.1	11,390.8	949.2
Total	133,708.5	11,142.4	108,561.1	9,046.8

3. This decision shall be applied as of 1 January 1986.

4. This decision shall take effect on the date of publication in SLUŽBENI LIST SFRJ.

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DATA ON STUDENT LIVING STANDARDS, AID

Zagreb DANAS in Serbo-Croatian 21 Jan 86 pp 18-19

[Article compiled from reports by N.H. in Ljubljana, E.H. in Sarajevo, D.V. in Belgrade, and M.S. in Zagreb: "Prices of Housing and Food"]

[Text] Ljubljana

Of the approximately 13,000 students of Ljubljana University 1 out of 3 has a place in a dormitory, and every other one has a scholarship, either a stipend from an enterprise or one paid out of pooled resources, referred to as a welfare scholarship. The bulk of the scholarships (70 percent) are from enterprises and range from 11,172 dinars to 20,110 dinars, though students in schools for occupations for which there is a shortage also have a supplement of 3,720 dinars. The welfare scholarship depends on the financial condition of the parents and ranges from 12,714 dinars if the student lives with his parents in Ljubljana to 23,312 dinars if he lives in a dormitory. In addition to those amounts he may obtain a supplement of 2,118 dinars if he is a very good student or 4,237 dinars for excellent academic achievement.

The university student in Ljubljana pays on the average about 3,800 dinars for a room, whose economic price is 7,237 dinars, and he pays 240 dinars for a meal which costs 370. In the first case the difference is covered by the Republic Education Community, and in the second out of the pooled resources which the Slovenian economy sets aside on the basis of a 1.5-percent appropriation from gross personal incomes of all employed persons. Although this seems acceptable at the moment, a majority of students do not favor subsidies and grants, since they feel that the scholarship should correspond to the price of the "university student market basket," which is estimated at about 35,000 dinars.

That represents two-thirds of the average personal income in Slovenia, which is the percentage which scholarships reached in 1980.

Sarajevo

At the moment the average price of housing in Sarajevo dormitories is 1,682 dinars. If we add to this the daily price of lunch and dinner for students, which is 137 dinars, then he can cover the entire month for about 5,800 dinars.

There are 3,762 beds available for the estimated 12,500 university students in Sarajevo who have come to this city from other places. According to some estimates the housing in the student center is overbooked by another 2,000 "legal illegals." Facilities in the B category represent about 70 percent of the housing thanks to the Olympics. The most expensive housing, 2,200 dinars, is paid in the Mladen Stojanovic Dormitory, where the tenants have double rooms with facilities and 16 apartments. The cheapest housing is in the old and dilapidated Vladimir Peric-Valter Dormitory, where a place in a five-bed room costs 1,200 dinars. The average price of food and housing, taken from last month, will be 9,273 dinars and will remain in effect for the entire year. In Bosnia-Herzegovina 4,678 university students receive student loans, which following the increase this month amount to 9,895 dinars. There are no precise records on the number of scholarships.

Belgrade

As of 1 November of last year the average price of housing in Belgrade dormitories was 29,950 dinars. The student pays 9,413 dinars out of his own pocket, and the rest is paid by the Republic Community for Targeted Education of Students From Serbia Proper. The daily price for three meals is 793 dinars, but the student pays 31 percent, or 246 dinars.... This amounts to 7,380 dinars a month.

According to certain calculations, the amount which students pay for housing and food does not exceed 80 percent of the average value of the student loan. It is also assumed that about 12,000 students take advantage of this type of food and housing. Although improvement of the student standard of living is emphasized, one cannot speak of any major advance, since not much is left to the student, especially with the constant rise in the prices of textbooks, transportation, and everything else. However, it is not difficult to prove that it is much more difficult for their colleagues renting rooms from various "landladies," since they pay 10,000-15,000 dinars a month per person.

Zagreb

By comparison with the other republics and provinces Croatia has the fewest university students per 10,000 inhabitants, and it is also at the bottom of the ladder in comparisons with European countries at approximately the same level of development. Only 6,295 out of the 34,000 university students in Zagreb can be accommodated in dormitories. At present the students in Zagreb, and this is much the same in other university cities in the republic, pay 104 dinars per meal to eat in the student restaurant, which amounts to 6,240 dinars per month for two meals. Public subsidies represent nearly 70 percent of the funds for feeding students. The economic price of a bed in student dormitories in Zagreb is about 10,000 dinars, which means that here again society is paying a subsidy of 4,200 dinars. For every dinar which university students pay for housing and food, society provides a total subsidy of 2 dinars.

Instead of the proclaimed increase in the number of those using student loans, there has been an evident drop; last year, for instance, loans were taken by 16,630 high school and university students from Croatia. The reason for this

drop lies in the fact that self-managed communities of interest for targeted education made a structural shift in 1985 in the commitment of their resources to other programs from the previous 4.6 percent for the standard of living of high school and university students and the 3 percent for credits and scholarships. At the end of last year organizations of associated labor planned to conclude 5,990 contracts, within which only 257 were with students in junior postsecondary schools and 505 with university students.

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ECONOMY

YUGOSLAVIA

INCREASED PERSONAL EARNINGS, CONSUMPTION SURVEYED

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 3 Feb 86 pp 19-20

[Article by Tomislav Dumezic: "Did You Say Standard of Living?"]

[Text] The total amount of personal incomes paid out and the average net personal incomes have been growing more rapidly, especially since last October. Is this a sign that the burden of stabilization has begun to lighten, at least for those employed in the socialized sector of the economy and in noneconomic activities; that enterprises are increasing personal incomes when accumulation is shrinking and losses are increasing; that personal incomes will be one of the principal causes of inflation this year, which (through the increased domestic demand) would tend to diminish exports and to aggravate still further the problems the country already has with the balance of payments?

The average net personal income paid per worker last December was in nominal terms about 40 percent higher than the average for the entire year 1985. That is an element in the increased costs of business operation which will certainly be part of the prices of goods and services this year. But prices will also rise for other reasons. We are referring to the interest on credits, which will increase regardless of the possible adjustment of interest rate policy, since the total amount of outstanding credit will increase by at least 50 percent over the average amount outstanding in 1985. Uncovered negative differences in exchange rates will also increase nominally, and a portion of them will have to go into the cost price of products and services. And the uncovered losses, which have been growing substantially, will also tend to raise prices in the coming year. All these and other causes of inflation will have to bring about a further rise in nominal personal incomes of persons employed in the economy and noneconomic activities, so that this new rise of personal incomes will be another source of price increases this year.

Personal incomes, at least up to now, have not been a cause of inflation. This assertion can be proven with this simple fact: nominal personal incomes have always (and inadequately) been adjusted to the rise of prices, which proves the 5-year drop in real personal incomes of persons employed in the economy and social services. Of course, the nominal growth of personal incomes has also subsequently brought about a new rise of prices, which was indispensable because of the influence of other factors on the rise of prices and because of the inappropriate economic policy and tax policy, which was

aimed at placing the entire burden of the interest on foreign credits on those employed in the economy and noneconomic activities.

Since none of the basic causes of inflation has been eliminated, there are no prospects that the rate of inflation will drop considerably this year. It can be said that there is even basis for a new acceleration. An additional influence toward higher prices this year will be exerted by the changes made in the manner of determination of gross income and income of economic organizations. This has to do with revaluation (higher prices) of inventories of raw materials and supplies, stocks of expendables, work in process, and finished goods, as well as the possibility of charging the current loss in 1985 to the revaluated value of inventories up to the amount of the difference between paid and unpaid interest on working capital and the difference between negative and positive exchange rate differences.

How High Are Real Personal Incomes

Net personal incomes paid out in the period of January-November of last year for all employees in the economy, social services, and government bodies, agencies, and organizations amounted to 2,660 billion dinars, which is 75 percent more than over the same period of 1984. Of that amount, about 2,070 billion dinars went to persons employed in the economy. The largest increase was in the total amount of net personal incomes paid to persons employed in the work communities of banks and financial organizations (92 percent) and persons employed in the work communities of bodies, agencies, and organizations of sociopolitical communities (81 percent).

Growth of the Total Amount of Personal Incomes Paid Out January-November 1985*

<u>Republics and Provinces</u>	<u>Jan-Nov 85, Nominal</u>	<u>Jan-Nov 84, Real</u>
Yugoslavia	175	101.7
Bosnia-Herzegovina	176	102.9
Montenegro	177	104.1
Croatia	172	99.4
Macedonia	162	95.3
Slovenia	195	109.6
Serbia	171	100.6
Serbia proper	170	100.6
Kosovo	184	109.5
Vojvodina	169	97.1

* The cost of living index for Yugoslavia and the republics and provinces pertains to the January-October period.

These figures suggest two conclusions: first, that the real personal income per employee did not in fact increase during the first 11 months of last year, since the 1.7-percent real growth in the total is offset by the increase in the number of persons employed in the economy and noneconomic activities, and second, there was a considerable differentiation of employed persons with

respect to the movement of the standard of living on a regional principle (in certain republics and provinces real personal incomes increased considerably, while they dropped in others).

The total amount of net personal incomes paid out experienced the largest nominal and real increase in Slovenia and Kosovo (nominally 95 and 84 percent, respectively, but in real terms approximately 10 percent in both cases). This difference between the nominal and real growth arose out of the differing rise in the standard of living. In Slovenia the standard of living has been increasing considerably faster than in Kosovo.

Dubious Cost of Living

Did real personal incomes actually increase last year? If we accept the accuracy of the statistics, it turns out that at least the total amount of net personal incomes paid out last year increased in real terms over 1984. We have no arguments to dispute the accuracy of the published figures pertaining to the cost of living for Yugoslavia and for the republics and provinces. Yet we will attempt on the basis of certain indirect data to express doubt about the published cost of living indexes.

Last year the social product (computed in permanent prices) remained at approximately the level achieved in 1984. This conclusion can be drawn on the basis of these figures: industrial output rose 2.7 percent, agricultural output dropped about 9 percent, and there was a drop in the volume of construction work and retail sales (in permanent prices).

The volume of industrial production last year increased 2.7 percent (4.8 percent in Bosnia-Herzegovina, 2.1 percent in Croatia, 3.2 percent in Macedonia, 1.2 percent in Slovenia, 2.8 percent in Serbia proper, 16.4 percent in Kosovo, and 0.3 percent in Vojvodina, while in Montenegro it dropped 0.1 percent). The smallest growth of industrial output (slightly less than 1 percent) was achieved in the production of consumer goods. Exports last year, calculated in 1984 prices, were up about 8 percent, while imports (calculated in the same prices) were at the 1984 level. It follows that the portion of the social product available for domestic consumption in 1985 was smaller than in 1984. As for consumer goods, relations were more unfavorable from the standpoint of the goods available for domestic consumption, since exports of these goods were up 6 percent in value terms, while imports were down 10 percent.

Figures on retail sales of goods are entirely consistent with this observation. That is, the real volume of commodity sales in the trade sector over the period January-November of last year was smaller than over the same period of 1984.

There was an invigoration of retail trade toward the end of last year. Sales in December were up 10 percent over November, which is slightly more than the rise of retail prices in December. It follows that December sales in permanent prices were higher than those of December 1984, and in this way the drop in the real volume of retail sales was mitigated, and it probably amounts to about 3 percent. This figures proves that total real consumption in the

country did not increase, but decreased. This is still not proof that real personal incomes of persons employed in the economy and social activities also decreased. That is, there might have been changes in real income of certain strata of the population so that a rise in the real income of employed persons might have required a manifold reduction of the real incomes of other categories of the population. Such a trend is not realistic, since almost nothing has happened which might have had an essential influence on Yugoslavia's social composition. One other alternative is possible, an increase in personal savings. According to the figures, there was no real increase in savings either. It follows that the suspicion about the figures on the cost of living and real personal incomes is not groundless.

Retail Commodity Sales and Inventories, index numbers

<u>Republics and Provinces</u>	<u>Sales Jan-Nov 85</u>		<u>Inventories Dec 85</u>
	<u>Nominal</u>	<u>Real</u>	
Yugoslavia	166	95	163
Bosnia-Hercegovina	169	95	176
Montenegro	158	92	153
Croatia	160	91	162
Macedonia	161	94	179
Slovenia	178	99	167
Serbia	166	96	156
Serbia proper	169	99	151
Kosovo	162	93	184
Vojvodina	160	90	160

Net Personal Income Per Worker

<u>Republics and Provinces</u>	<u>Amount</u>		<u>Index Numbers: Yu- goslav Average = 100</u>	
	<u>Average</u>		<u>Average</u>	
	<u>Jan-Oct 85</u>	<u>Oct 85</u>	<u>Jan-Oct 85</u>	<u>Oct 85</u>
Yugoslavia	37,740	51,179	100	100
Bosnia-Hercegovina	34,607	45,049	92	88
Montenegro	30,025	38,707	80	75
Croatia	40,464	55,281	107	108
Macedonia	27,563	36,376	73	71
Slovenia	50,256	69,508	133	136
Serbia	35,205	48,013	93	94
Serbia proper	35,190	48,209	93	94
Kosovo	29,153	38,183	77	75
Vojvodina	37,170	50,656	98	99

Regional and Sectoral Differences

The nominal rise of personal incomes last year was not uniform either from region to region or from sector to sector. Existing differences increased considerably. The rule was this: In parts of the country where personal incomes

were already higher than the average the increase was above average, and where they were lower, the increase was smaller than the average; in activities and branches where personal incomes were higher than average, the increase was also greater than the average percentage, and in industries where they were lower, the increase was also smaller. This means that existing differences in the level of average personal incomes are both regionally and sectorally correlated. This, of course, need not be a negative attribute. As for the regional differences, their further increase is the result of the economics of business operation, since as a rule republics with higher personal incomes also have the smallest losses and relatively largest accumulation.

In Slovenia personal incomes increased the most, and this trend is continuing. Industrial output in Slovenia rose only 1.2 percent, considerably less than the average for Yugoslavia. The financial results of business operation of the Slovenian economy were still the most favorable; the losses were the smallest in relative terms, and accumulation was the largest in relative terms. This only proves how outdated are the dogmatic conceptions of those who measure the business performance of the economy in the physical volume of production. But even the closed Yugoslav market has made it possible for the advantage of the Slovenian economy to be manifested to that extent.

The picture of the production, personal incomes, and consumption in Kosovo is interesting. There, industrial output showed the largest increase (16.4 percent), the total amount of personal incomes paid out increased in both nominal and real terms only slightly less than the growth achieved in Slovenia, but retail sales fell off 7 percent in real terms, while inventories of goods in the trade sector at the end of the year showed the largest nominal increase (84 percent). Does this mean that the number of consumers in Kosovo has decreased essentially?

The figures on the trade sector also prove that sectoral differences in the level of personal incomes are increasing. The average net personal income paid out last October in Yugoslavia's retail trade sector was 9 percent less than the average for the country's economy. In wholesale trade it was 14 percent higher than that average, and in foreign trade it was all of 81 percent higher. In Slovenia the relations follow the same pattern, but at a considerably higher level: The average personal income in the retail trade sector was 23 percent higher than the average for the country's economy [sic], in wholesale trade 47 percent greater, and in foreign trade all of 117 percent greater. The average personal income in retail trade stood in a ratio of 1:2 (63 in Kosovo and 123 in Slovenia), and the average personal income in foreign trade exceeded that spread (94 in Kosovo and 217 in Slovenia). This indicates that intersector differences are mostly a consequence of the business efficiency of individual work organizations and that those differences largely coincide with regional differences. This, of course, does not mean that certain activities do not have special or indeed even monopoly advantages thanks to privileges distributed by the government on the closed market, and they certainly should be done away with.

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ECONOMY

YUGOSLAVIA

TRADE INSPECTORATE THWARTED BY LOCAL AUTHORITIES

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 15-17 Feb 86 p 5

[Interview with Pavel Dolenc, chief federal market inspector, by Vera Soti:
"Tete-a-Tete Behind Closed Doors"; date and place not given]

[Text] When disturbances occur on the market, the eyes of the public are turned toward the market inspectorates. They are expected to react, even before irregularities occur, to prevent as far as possible any crimes from recurring, often in more serious form than the consumer can accept.

Bright tones cannot be used to color our market situation. Which means that the inspectorates also have more work and more obligations. This was one of the occasions for us to talk about the tasks of the inspectorate with Pavel Dolenc, chief federal market inspector. We were especially interested in the detection of violations of the unified Yugoslav market and abuse of the practice of concluding agreements on prices.

"At the very beginning of this year it seems that the psychological factor has been influencing prices, since in many sectors we have observed a virtual rush toward higher prices," Pavel Dolenc said at the beginning of the interview. "The Bureau of Prices has been trying to maintain an upper limit of 45 percent on the annual rate of inflation, but what happened in January and is happening in February will make it difficult to maintain that figure."

[Question] Are there any new things or special tasks for market inspectorates in the measures which have just been adopted for holding prices back?

[Answer] Our obligations of monitoring prices and the market and especially of reporting violators to the commercial banks have been in effect since 1983. There are no innovations in the new decision except the greater legal security of offenders. Credit will be withheld from organizations which violate price regulations, which maintain excessively large inventories until prices go up on the goods, which take advantage of a monopoly position or which violate regulations on mandatory purchases. Refusal of credit is in any case the measure which hurts the economy the worst. There are now cases when even without a formal charge from the inspectorate organizations revoke their previous decision, since refusal of credit is an extremely heavy penalty for them. It is obvious that earlier the economy did not feel that its existence was threatened, but now it is practically impossible to do business without credit.

"Comfortable" Coverage for Their Violations

[Question] What assessment can be made of the market situation at the beginning of the year on the basis of inspectorate findings?

[Answer] During January the inspectorates ran 9,708 checks. They established unlawfully acquired property gain in the value of 145 million dinars, and goods worth more than 87 million dinars were taken off the market. In January 29 criminal charges were filed, 270 charges for economic violations, and more than 1,000 were sent to judges for misdemeanors, 11 charges before courts of honor, but not a single charge was filed with the banks to refuse credit. This seems to be related to the effort to persuade organizations not to violate regulations, but it also shows that there was formal coverage for many of the price rises that were carried out.

[Question] One of the essential areas in which results are expected from inspectorates is violation of the unity of the Yugoslav market. Yet experience demonstrates that last year, for example, not a single charge was filed. What is the principal obstacle?

[Answer] First, there is a point we need to clear up. Namely, we are not always dealing with willful behavior on the part of work organizations, since they have "comfortable" coverage of the respective government structure for their violations. Economic entities cannot on their own partition off the market without certain support. In other words, the exclusiveness is a consequence of certain acts and actions by bodies and agencies and communities, and as a formal matter the violations cannot be detected. There are no written traces of support for the exclusiveness, everything is done *tete-a-tete*, by telephone.... We would establish violations of this kind if they were set down in regulations, in general self-management acts, or in any individual "papers." Only one case was detected last year in connection with wheat purchases, when one *opstina* guaranteed even in writing a higher price than the purchase price, thus committing a violation and engaging in a kind of speculation.

[Question] Does there also exist a certain organizational interference with the inspectorates that keeps them from dealing more effectively with exclusiveness or monopolistic behavior?

[Answer] The inspectorates are dependent--financially and organizationally--on the *opstina* (above all) leadership. This, thus, extends to *interopstina*, city, republic, and provincial inspectorates. Regulations, it is true, do declare the independence of market inspectors, no one may put pressure on them, but the inspector's real status is different. The lower their position, if we can put it that way, the more bound up they are with the *opstinas*, the less independence they have. It is somewhat different with *interopstina* or city communities. In the federal inspectorate there are no partial interests in the sense that someone could influence the inspectorate out of the interests of a republic or province. But differing interests do occur in *opstinas* and indeed in the republics and provinces.

How the Market Is Suspended

Most frequently there is "protection" of the organizations from their own community, especially when it comes to competition from outside. How the inspector reacts to these things depends, of course, on him. We give them moral support to keep from giving in, but if they cave in, we do not know about it. However, when they oppose the local powers-that-be we do not know it either, they do not inform us except in unofficial contacts when chicanery is also mentioned. So little is officially known about this. Pressure on inspectorates is possible because of the organization itself, they are financed by the republics, provinces, and opstinas. So, whoever has the money can also influence the results of the effort.

[Question] There are those who think that price agreements are also used very frequently to achieve a monopoly position.

[Answer] One can see from the reports of the Federal Bureau for Prices whether producers of the same products are agreeing on prices in associations and communities. It would not be comprehensible for 100 producers of the same or similar goods to submit an application for a price rise at almost the same time or report a price rise to the bureau if they did not have agreements to that effect. It is obvious that in such cases we are dealing with the kind of agreement on prices that is prohibited under the Law on Social Price Controls. The market is supposed to influence the price, and prices of goods are not to be raised in a meeting of producers of the same goods. In such situations the producers reach agreement, but they adapt the price to the poorest organization, since this suits everyone, and the domestic market still accepts everything. The good side is that the prices are mainly uniform, regardless of where the goods are produced or sold. But market criteria are evaded in this way, and for all practical purposes the market does not exist.

[Question] How do inspectorates react in such situations?

[Answer] In several cases we have reacted, but there were no written traces of the agreements, the participants protected one another. The Federal Market Inspectorate ought to expose these cases, since others will not do so and cannot do so. When the question of higher coffee prices came up, for example, there was written evidence, and we were able to react immediately.

At present the only indicator we have is when all producers simultaneously come before the Federal Bureau for Prices, and all the rest is done privately. We could act against these violations by seeking statements from suspected participants in monopoly agreements, but I am afraid that our inspectorates are not yet capable of that.

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MILITARY

BULGARIA

ARMY DAILY CALLS FOR EXECUTION OF PARTY DECISIONS

Sofia NARODNA ARMIYA in Bulgarian 6 Feb 86 p 1

[Leading article: "Party Decision Law for Every Communist"]

[Text] At first glance the party organization with Captain Uchkov as secretary is operating well--plans and records are in order; members' dues are regularly accounted for; at meetings long-term decisions are made. . . But only at first glance. For when it comes to execution of these long-term decisions, a number of weaknesses in the activity of the party committee and party bureaus stand out. They are embodied primarily in the organizational work to execute the projected measures and in first-hand practical activity.

The grounds for uneasiness are serious, for our party requires the activity of every organization and of every communist to be evaluated according to real achievements and results, and this means making the evaluation after the party decisions are executed. For nothing is so disappointing and so shakes one's faith as hasty and incompletely executed decisions.

A party organization's decision is first-rate when it is an act of collective mind and efforts, when in it are accumulated the will and unity of all the communists. It is herein that one can tell the organization's ability to discover in good time the problems confronting the collective, make a political analysis of the situation, and on this basis choose the most appropriate ways and means of action.

The discussion and working out of the future decision call for a creative and calm setting. The decision cannot result in the desired effect without discussion, conflict of opinions and the enrichment and concretization of what is proposed or without the participation of all party members.

Some communists have acquired the habit of readily raising their hand for any draft decision, thinking privately that "the leadership will justify itself later." A number of secretaries most often saddle themselves with the difficult task of formulating and preparing party decisions with target dates and persons in charge. But this, in its turn, not infrequently diverts the decision from being addressed precisely to the person best suited to execute it. A subjective approach of this kind not infrequently gives rise to general hortatory wishes which have no real effect and do not contribute, to the necessary

extent, to the elevation of combat readiness and military and political training or the strengthening of discipline.

Now more than ever party leadership must approach this activity from scientific perspectives and without fail respect and implement the principle of collective leadership.

But however good a party decision may be, unless it is converted into action and leads to final constructive results, it remains merely a piece of paper. The main thing is organizational and political work for its execution.

Whereas in decision-making the observance of collectivity is mandatory, in the execution of decisions individual responsibility comes to the fore. Any party member receiving an assignment to execute a party decision must regard it as a supreme behest and be personally responsible for its fate. It is no secret that when the time comes to report on the execution of decisions, some communists like to hide behind the collective or behind the party leadership and find "weighty" objective reasons to justify their own passivity. There is one party measure towards them today--severe and uncompromising exactions. For nonexecution of a decision or half-way implementation thereof is in fact a flagrant violation of the party statutes and the standards of party life.

The times require every party secretary and all party leaders to give a clear answer to the question: How many communists can be called to task for nonexecution of party decisions. It is now more than imperative that the party organization establish a strict procedure for feedback on the progress and quality of execution. Written questionnaires, protracted thumbing through records and reports, etc., do not always help in this activity. It is in the collective where real life in its entirety can be observed every day that personal contact and first-hand assistance must be looked for. Party bureaus can be made accountable for some decisions; for others, monitoring and assistance will come from the party secretary or members of the leadership. Entry of a report in a journal, notebook or card file and input into a computer also give a clear idea of the progress and quality of the execution of party decisions.

The part played by the party meeting as a collective agency for verifying and evaluating the execution of decisions that have been made is decisive. Increasingly firmer positions are being assumed in practice by such forms and means at the party meeting as reporting on decisions made earlier, including evaluation of their execution in a special item on the agenda, hearing of reports and self-reports of communists and entire groups, etc. There is one aim: Not a single decision that is made is to remain unchecked and unacted upon by the party.

The execution of decisions must always be accompanied by active ideological-and-educational and mass-political work. This is especially imperative when the decisions apply to all communists or to the entire military collective. This is a guarantee of a still closer link between the party organization and the collective, of a more all-round accomplishment of the organization's educational and mobilizing functions, and elevation of its authority.

An important place in the campaign for the execution of party decisions is allotted to political organizers and party committees, which are called upon not only to direct the active party membership towards more effective ways of working, but also to give a personal example themselves of 100-percent execution of their own decisions. Thus, every party decision not only will transform the practical world, but will also actively contribute to the conversion of the primary party organization into the archetype and political nucleus of the military collective.

The report-and-election meetings in the army party organizations are over. And the party conferences are near their end. At these the communists have adopted thorough and long-term decisions and resolutions incorporating concrete and purposeful actions for heightening the combat readiness of units and for worthily greeting the 13th Congress of the Bulgarian Communist Party. Army party organizations must now launch wide-scale and highly effective activity for the fulfillment of assignments and for decisively raising the quality of military labor.

A party decision is law for every communist. This is a behest of the times in which we work and live. This is also an indispensable condition for achieving high results in the strengthening of discipline and combat-training activity, as well as in the communist inculcation of soldiers.

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MILITARY

BULGARIA

SOFIA GARRISON COMMANDER GENERAL SALTIROV DWELLS ON DISCIPLINE

Sofia NARODNA ARMIYA in Bulgarian 11 Feb 86 p 2

[Interview with capital garrison commandant Maj Gen Petur Saltirov, on occasion of eve of 13th BCP Conference, by Engr-Col Veselin Stoyanov; date and place not specified: "It Is an Honor and a Responsibility to Wear the Military Uniform--A Comprehensive Approach to Discipline"]

[Text] Officers, noncommissioned officers and soldiers walk about the capital . . . Citizens follow them with attentive glances, seeing in them representatives of the Armed Forces of the Bulgarian People's Republic, valiant defenders of our socialist homeland. It is an honor and a responsibility to wear the military uniform, which symbolizes valor and loyalty to our military and revolutionary traditions.

The people have a picture of the serviceman as a model of discipline and neatness. Our people rightly call the army a school of bravery, industry and high conduct. Good examples along these lines are innumerable. At the same time, we may encounter on the boulevards and streets servicemen who are not notable for their irreproachable conduct or their impeccable external appearance. In this connection a representative of the editors met and talked with the capital garrison commandant, Maj Gen Petur Saltirov. . .

[Question] Comrade Major General, the part played by the Capital Military Commandant's Office in maintaining order and discipline among service personnel in public places is great. But we sometimes hear individual comrades mention that the garrison commandant's patrols are too strict. What do you think in this connection?

[Answer] The manners and conduct of servicemen in public places and their neatness are of great importance for order and discipline in garrison. Whenever we assess the state thereof, we must proceed from the premise of the great contribution made by our socialist culture to the formation of a number of virtues in the conduct of the citizens in our society as a whole. This, of course, favorably affects the conduct of servicemen as well.

Moreover, the questions of external appearance and neatness, of civilized manners and conduct of servicemen have a deep-rooted tradition. On them are made the precisely defined demands of the military statutes, the observance of which

is constantly checked not only by commanders and chiefs, but also by the commandant's agencies. Soldiers wear the uniform as a symbol of honor and nobility, of bravery and gallantry, and their conduct in public places is an expression of the degree of their esthetic inculcation and manners.

Characteristic of the overwhelming majority of servicemen are such standards of conduct as politeness, courtesy, tact, honesty, modesty, etc. The manifestation of these traits in everyday life objectively reflects the results of the inculcative process in the army and elicits our people's well-founded respect for soldiers.

But guided by the well-known doctrine that checking is the highest degree of confidence, as well as by the requirements of the military statutes, we pay special attention to the training of, and the performance of service by the commandant's patrols. We assign as members thereof servicemen who are disciplined, exacting and neat in soldierly respects. On this score we have made some significant progress. Officers Genov, Kavaldzhiev, Goranov, Atanasov, Stankov, Modev and Sergeants Boev, Andonov, Gelev. etc. perform patrol service as patrol chiefs in exemplary fashion.

Thus, for example, Officer Genov always presents an exemplary external appearance when he goes on detail. While on duty, he displays exceptionally high stringency towards violators of garrison order and discipline. In a frank conversation he imported that he does not measure his job by the distance covered or the length of time on patrol, but by the irregularities corrected in the conduct and neatness of the servicemen he encounters while on duty. Master Sergeant Andonov's experience is likewise favorable. As patrol chief, he is attentive and courteous, but uncompromisingly exacting towards violators.

At the same time I want to note that a significant portion of the violations of discipline that occur in garrison results from the excessively low demands made by some commanders and chiefs and from certain departures from statutory requirements. If the officials concerned conscientiously fulfilled their duties, no slovenly serviceman could leave the barracks.

In final analysis I can say that the commandant's patrols are not too strict. We anticipate raising their stringency even further in order to raise discipline in the capital garrison to the level of high party requirements.

[Question] What is your personal attitude towards so-called "trivialities" in the wearing of the uniform?

[Answer] Uniform requirements are set by regulations approved by the minister of national defense. Any departure from these requirements is a violation. We know that "military discipline is the strict and precise observance of the requirements of the statutes and regulations. . ." Therefore there are no important and unimportant requirements, hence no "trivialities." Any departure from the statutes is a violation, and any violation that occurs must be dealt with with the specified stringency.

[Question] The statutes say that seniors in military rank have the right to criticize and censure juniors in the event of a violation of military discipline and public order. How many times so far have you observed such cases?

[Answer] I have repeatedly seen seniors in rank applying this requirement of the regulations, mostly in the event of a violation of public order or of the rules governing the wearing of the military uniform, as well as in the event of nonobservance of military courtesy. For example, I can cite Officers Vasilev, Grozev, Detistov, Mladenov, Lukanov, Tsolov, etc. I might give examples of noncommissioned officers. But the right accorded by the statute to senior servicemen has not become a rule in the conduct of all garrison servicemen, which is a sign of indifference and irresponsibility towards the state of discipline. In some cases the answer is that when they stop a junior to reprove him, he passes by without paying any attention to the reprimand addressed to him. True, there are such service personnel and we are exceptionally severe in dealing with them. In our preventive work with commanders and chiefs we direct exceptional attention to this question.

[Question] Party requirements for the further strengthening of discipline apply to everybody. Is there, in your opinion, a difference between the approach of servicemen working in the commandant's office and those assigned to duty detail by garrison units?

[Answer] I can definitely say that missions involving order and discipline are accepted with understanding and a sense of high responsibility not only by those working in the commandant's office but also by those assigned to duty detail by army units. To be sure, there is a known difference in the final result, but it is due to the greater experience and higher criteria of the service personnel from the commandant's office.

In the interest of truth, some officers and noncommissioned officers of units do take an unconscientious attitude towards their official duties, displaying too little stringency. There have been isolated cases when patrol chiefs have not arrested or reprimanded a single serviceman during an entire day. Such, for example, are Officers Dimitrov and Grigorov and Sergeants Grigorov and Yanev. We take serious measures against such comrades, removing them from the makeup of groups for garrison detail and sending letters to their commanders with a request to take up their attitude towards discipline with the entire officer and noncommissioned-officer personnel. With less experienced personnel we conduct joint performance of patrol service for 2 or 3 hours together with a representative of the commandant's office in order to show them whether there are violations in the region where they are on duty.

Mass information media have a tremendous opportunity to publicize and gain recognition for the example of the best military collectives and a number of officers, noncommissioned officers and men in strictly maintaining the prescribed service routine and discipline. But sometimes, even though reduced to a minimum, there are still on the pages of the military press and on the television screen some deviations from statutory requirements governing servicemen's conduct, neatness and external appearance. In this regard, too, we are undertaking, projecting and carrying out measures such as talk sessions with

the editors-in-chief of the military publications, with some press photographers and cameramen under the military editors, as a result of which violations of this kind have significantly decreased. . .

The leadership of the garrison, the Military Commandant's office of the Capital and VAI [military motor-vehicle inspectorate] agencies well understand what still has to be done so that discipline will measure up to the high party requirements and the tasks set by the minister of national defense. On the eve of the 13th Party Congress we will continue to improve our work style and methods, diversify our ways of checking and increase our stringency in the struggle against negative phenomena and behavior.

6474
CSO: 2200/77

MILITARY

HUNGARY

BIO ON PEOPLE'S ARMY AIR CORPS CHIEF JOZSEF SZABO

Budapest NEPHADSEREG in Hungarian 11 Jan 86 p 10

[Interview with Major General Dr Jozsef Szabo by Bela Siklosi: "Diploma of the Air Corps Chief"]

[Excerpts] This is how Major General Dr Jozsef Szabo reminisced about the more significant stations of his professional military career.

"My father was a miller. We moved often. I was 10 years old when the city of Karcag became the next station of our migration. This is where they enrolled me in the local highschool.

On 1 November 1947 I enlisted at the Kossuth Academy. I could hardly have thought of flying at that time since the Hungarian Armed Forces actually only had airplanes for show pieces and the first flying class at the Academy was started only towards the end of the year. Ten of us were accepted out of 90 applicants. By the summer we were in camp and began flight training on hastily overhauled Bucker-Bestman training planes. These were two-seater, easy to operate biplanes. We had three such machines. At that time this was what the Hungarian "air force" consisted of. And still that summer in July without an instructor I completed my first solo flight."

After the young officer's graduation, he became group leader of the third wing of the independent flight regiment's second squadron in Kecskemet. From that time on, events picked up pace. Hardly one year later, he was studying at the Soviet Air Force Academy. This was where he familiarized himself with the MIG-15 subsonic fighter plane. But after his return home he was not assigned to the air corps but rather was assigned as chief instructor at the flight department of the Zrinyi Miklos Military Academy. Even one year did not pass, when in the fall of 1956, he was assigned to be the deputy head of the National Air Force Headquarters training department. Here he again had the opportunity to continue flying. But this time the counterrevolution interrupted his career. On the 9th of November, he took up arms to defend the worker-peasant rule together with many hundreds of his fellow communist officers.

After the March consolidation he was ordered to report to the Ministry of Defense. His assignment was to reorganize the ranks of the air force,

to start up training. Later he became deputy commander of the Flight Training Center. While still in his youth, he trained and taught hundreds of young navigators the science of flying. He earned the title of first class navigator in the fall of 1959. He spent one year in the Ministry of Defense, then he was assigned as flight chief of a higher echelon air defense unit being formed. He was in a brief training course in the Soviet Union. On 14 April 1961 he flew for the first time without instructor in a MIG-21 fighter plans.

The experience Major General Szabo gained at the higher echelon flying unit was needed at a different post again. He was assigned to the chiefs of staff, and in the area of developing the flight teams and directing their battle training he became an active participant in the rapid growth of the country's air force in recent years. He worked for many years at the Flight Headquarters of the Hungarian People's Armed Forces.

He abandoned active flying in 1973 for health reasons. Though this meant somewhat of a break in his life, this was not felt in his work. He actively participated in creating flying team units. He did significant theoretical work in developing the system of requirements in pilot battle training. He studied on the job to defend his doctoral dissertation in which he worked out the methods of modern serial warfare. He studied the science of space travel with special interest until fate brought him in contact with astronautics again for the second time. The calendar was in the last days of year 1976.

"We travelled to Moscow to participate in the Interkosmos conference of the Academy of Sciences. Academician Alexandrov's statement took us all by surprise. According to this, the countries participating in Interkosmos may also send space travellers on trips in space. We were pleased to announce the great opportunity here at home and the commission created for this purpose, of which I was also a member, immediately began the work. The decisive selection criterium was that only those fliers could be selected for as candidates who could fly without restrictions. Those interested could complete on a voluntary basis. Needless to say that those who were in this group all volunteered for space flight. The rest is well known. This is how, after much work, preparation and study, the great mission and successful return of Bertalan Farkas, our country's first space traveller, came about. I was privileged to be present at both the take-off and the landing, and was able to congratulate my fellow pilot. Even now space travel provides the involved experts, including myself, with much work interpreting the research results."

The next significant station of his life's career came in 1983 when he was appointed Air Corps Chief of the Hungarian People's Army. He is a tireless spokesman for Hungarian military aviation, and our populous group of pilots. As member of the presidium of the pilots federation, he considers recreational flying and pilot training his personal cause. For the general, every hour and every minute of the day is filled with a multitude of tasks. He has precious little time left for his family and for personal matters.

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MILITARY

POLAND

PROGRAM, PURPOSES OF WROCLAW SECONDARY MILITARY SCHOOL.

Warsaw RZECZPOSPOLITA in Polish 30 Dec 85 p 3

[Article by Andrzej Jurczynski: "I Want to be a Soldier... Students in Navy Blue Uniforms"]

[Text] The inscription located at the entrance to 106 Obernicki Street, Wroclaw, reads: Secondary Liberal Education Military School. We find ourselves in one of three schools of this type in our country, bearing a mathematical-physical profile, which began educational-training activities in September of this year.

Andrzej Wlodarczyk, superintendent of education and training in Wroclaw, states that the Polish community has undertaken various types of activities within the framework of national action for aid to schools. We regard as particularly valuable recent initiatives by our armed forces to create secondary liberal education military schools. The objective is the development of high level educational-training activities in the secondary school. This likewise pertains to achievements in patriotic-defense training, which we shall communicate to other schools in the province.

I Solemnly Swear

In an interview with Lt Col Antoni Slowik, MA, director of the Wroclaw Secondary School, we learn that the educational program is the same as in other schools, that 190 boys are enrolled in the initial classes, and that the Secondary School enjoys the sponsorship of the Officers' School of Army Engineers. Buildings comprising the boarding school and the educational section were adapted to satisfy those functions by soldiers of the Slask Military District. The Slask Military District also satisfied all the needs of the educational facility associated with supplying cabinets, laboratories, classrooms and a boarding school. During the solemn inauguration of the school year, Brig Gen Jozef Petruk, second in command of the Slask Military District in matters of regional defense, distributed student identity cards to the boys.

It was precisely at that moment that the students took the oath: "I, a student of the military secondary school, being faithful to the progressive and military traditions of the nation, do solemnly swear: to be honest, conscientious and friendly; to be a disciplined and diligent student; to pay due respect to older persons, teachers and instructors; mutually create the school's good name and authority by displaying exemplary conduct; to develop in myself the virtues of an honorable citizen; to serve my fatherland--People's Poland, with daily, persevering study and work."

Repair work on the class section and two buildings of the boarding school is still underway, and is being conducted by the soldiers. However, the work is so organized as not to interfere with the normal function of the secondary school. Lessons are being held in the classrooms.

Teachers' Opinions

Marjanna Kalota, a mathematics teacher for the past 14 years, commented, "The students are well equipped. Each one, for example, has a calculator. In our secondary school, mathematics is a leading subject with an expansive program. Students come from all over Poland, and represent a very diversified level of knowledge. They are not yet prepared for independent work. I devote much attention to adjusting the level of knowledge. The mathematics circle and the friendly mutual-aid organization play a large role in this area."

Ryszard Kolodziej, a physics teacher for the past 18 years: "... and I would like to stress the very fine supply of the means of instruction and technological equipment. We have even a dozen or so of microcomputers. I do not have to explain how important this is not only for the physicist. The results of compensating occupations are already apparent."

Urszula Pachocka, a history teacher and secretary of the Basal Party Organization [POP]: "Two hours of history weekly as anticipated in the school program is surely too little. This likewise pertains to other secondary schools with a similar profile, technical and vocational secondary schools. In connection with the limited amount of program hours, great significance is attached to extracurricular work, and particularly to activities of the historical circle and cooperation with the library. We are organizing trips to places designated as national memorials, and recently we met with Jerzy Tyslewicz, a veteran of the Polish People's Army. Not long ago I also proposed to the students an introduction to the annals of our city. All of these extracurricular undertakings are correlated with the program of the boarding school's work."

Maj Stanislaw Wamposzyc, scoutmaster and assistant director in matters of defense-training: "We recently had interesting meetings with students from Greece and a group of Palestinians. In the near future we shall be hosts to the Kurds. The Society for Polish-Soviet Friendship [TPPR] circle and

three circles of the Polish Tourist Countrylovers Association [PTTK] are functioning actively. We have two scouting teams, sailing and tourist. In the school sporting sphere, the following divisions are prominent: handball, basketball, volleyball, light athletics, swimming, judo, marksmanship and chess. Many members combine spheres of interest -- photography, the fine arts, plaster of Paris, computer science. Students often go to the movies, theater, opera. We have already established contact with the neighboring cooking school and the medical school. We continue to strive for attractive and useful organization of spare time."

Next comes a long break -- lunch time. Everything is already prepared in a clean, spacious cafeteria. Przemyslaw Wisniewski, Artur Balz and Robert Atlas prepared the tables on which milk and buns are served. The first boarding students arrive. Some reach for a bun and leave without even glancing at the hot milk. Their explanation: cream soup for breakfast and milk for lunch... However, the majority empty their glasses heartily. Lt Col Stanislaw Kowalski then escorts us through the boarding school. In the club room, the motto: "The fatherland is our great common responsibility," is alongside the secondary school students' oath. Among items of interest to the circles is a large scale display of materials devoted to Kotlina Klodzka, gathered during the last trip. We enter one of the rooms: three beds, cabinets, tables with lamps, a wardrobe. Clean and pleasant. We inspect rooms devoted to the different spheres of interest -- order prevails. Only in the music room was there some evidence of artistic disorder.

To Become an Officer

We interview Dariusz Palka and Krzysztof Piatkiewicz, students who came to Wroclaw from Gubin. They met and struck up a friendship at the secondary school. Krzysztof had problems with mathematics. He even received poor marks in solving variables. However, thanks to his friend, he has now improved.

We are together, says Darek Torchala, chairman of the Polish Socialist Youth Union School Board, and this unifies us. We have gained a footing and constitute a strong entity. Our youth organization, although its membership consists of one-half of the students, it includes all of them in its activities. We organize discotheques, trips, but we are also engaged in serious matters.

Students from the military secondary school can be recognized on the streets of Wroclaw by their navy blue sailor type uniforms. For every day, they wear elegant suits made of a durable fabric. They make a very good appearance.

There is great interest in studies and school. Recently, there were several candidates for one opening. During the current year there were 72 letters from outside of Wroclaw requesting information about the boarding

school. The eighth-grade students of the four Wroclaw schools have already become acquainted with the living and study conditions, having observed everything personally.

One more question at the conclusion of our visit to the school: Why did you select a military secondary school? This was the subject of the first study in the Polish language. Here are a few of the opinions taken from those studies:

Dariusz Dabiesz: "It was my dream to become an officer. I am content with my selection of a school."

Jozef Kowalczyk: "I would like to become a professional soldier. Upon completing secondary school, I will be accepted by a choice military officers' school without an examination."

Jacek Wojtczak: "My grandfather and father both wore soldiers' uniforms."

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POLITICS

GERMAN DEMOCRATIC REPUBLIC

EXTENDED SUPPORT FOR TOP-NOTCH ACADEMICS URGED

East Berlin SONNTAG in German Vol 40 No 5, 2 Feb 86 p 7

[Interview with Dr Karl-Heinz Zieris, faculty member of the Central Institute for University-Level Education: "Do Professors Have to Get Support?", conducted by Ilse Ziegenhagen, date and place not specified]

[Text] [Question] The GDR needs more top-notch achievements in science, and that is not possible without academics with a high international standing. You talked with academics from 224 universities and colleges and analyzed their ways of life to find out the conditions under which universities and colleges are able to produce top performances, and how support for academics must be organized. Before going into the results of your analysis, we must clarify who belongs to the circle of top-notch academics.

[Answer] Because it is difficult to establish concretely what a top-notch performer in science is, we are guided by the notion that our standards must in no way be too low. Self-tailored standards are as much out of place here as everywhere else. On the other hand, our standards must, of course, be realistic. One-in-a-hundred-year talents are rare. Applying the accomplishments of a Marx or Einstein as standard would cut the ground from under our conscious support for top performers. We can only strive for the highest international level. Top-notch performers are academics who are internationally well-recognized and whose contributions to the current state of scientific development in their area of expertise transcend local and national borders. It has nothing to do with discrimination if, with such a standard, we don't include all professors, not even all good professors in the group of top performers.. By the same token, not every outstanding young academic is potentially a top-notch performer.

There are many good and very good academics between the top and the middle. As I understand it, when we talk of a top-notch performer, we think about a relatively small circle of persons. Some years ago, some leading academics estimated that, in a good group of young academics, some 10 to 15 percent are highly gifted. The tendency is to apply the concept of what constitutes a top-notch academic rather generously, which hurts our efforts to obtain special support for extraordinarily gifted academics.

[Question] Top performances, of course, depend on research and a research subject that permits the exploration of a new scientific area. Experience

has shown that nowadays these are frequently subjects that stretch across several disciplines. Of course, the university is primarily a teaching institution. Training students has priority. Teaching and doing research--is there any way they can be combined?

[Answer] I can answer that by an emphatic "yes." As a matter of fact, there is sufficient proof of that from university professors who enjoy a high international reputation as scientists. We favor the unity of teaching and research. We require every professor to teach and to do research. This principle also applies to our top academics. In some capitalistic countries, teaching and research activities are shared by several persons. Of course, we could move top personnel out of teaching, but teaching stimulates research. That's the important point. But then, the students, too, have a right to be taught by particularly original thinkers. Almost all academics I interviewed said that they wouldn't want to do without research. Among the 224, there were only a very few who preferred to exclusively teach because they couldn't handle the twofold responsibility of teaching and doing research. Most need to teach.

Teaching forces them to generalize. In lectures and seminars, one has to express clearly what, until then, may have been fuzzy thinking. To develop a scientific point of view in front of students in a convincing way, that is a challenge, also for researchers. It leads to new perspectives and insights for one's own research.

[Question] You talked about the beneficial effect of teaching on research. But there are also negative effects; for instance, when a young academic who is capable of first-rate performance, is too busy with second-rate seminars, or when an established academic spends all his time lecturing and is losing his leading international standing.

[Answer] The reverse can happen if a professor has hardly time for serious research. Consistent support must be provided. The positive effect of teaching does not come automatically. There are some people who continue to disagree with conscious support for top performers, who maintain that talent asserts itself and that gifted people don't need any help in finding their way. That is a misconception. It is based on the assumption that only the weak need support. Of course, assigning a creative young scientist for years to teach a second-rank seminar without giving him any lectures, that destroys the enriching impact of teaching. The type of teaching must be influenced by an intelligent--and I emphasize--consistent style of guidance. For these people the subjects they teach must be carefully selected and the time they spend on teaching must be limited. Training top academics for research requires measures that are neither necessary nor possible for most of our university professors.

[Question] Should top scientists be required to accept management functions?

[Answer] We believe in the principle that science is managed by scientists. The question is whether it is absolutely necessary for the top researchers to do the managing. On that, our views differ. I believe that we have enough

good scientists in our country who can do an excellent job in managing. They don't necessarily have to be the few top-ranking researchers. Of course, ranking every professor among the top group won't work. To do so would leave only a few weak senior assistants to do the managing. As I said earlier, we have many very good professors who don't do any work at the top international research level, but who perform socially extremely significant work that is important to operate a university. The demand "special conditions for special accomplishments in research" is in no way a moral judgment: it is simply based on the force of circumstances. At the university as everywhere else, there are a large diversity of management functions. I don't believe top academics should and could be free of all managing. They should accept management functions in their own research collective and in bodies working on issues affecting research. It is important to free them from functions requiring a great deal of administrative, organizational work. Among the persons I interviewed, there were many section chiefs, p r o j e c t o r s and also some r e c t o r s were leading academics. But that's not an argument for me. If these academics didn't have administrative duties but could do research, what they could accomplish!

[Question] Support for the gifted has to start early. Meanwhile, that has become clear to everybody and there is general agreement on that. Parental accomplishments, the influence of friends, the intellectual micro-climate so-to-speak, today they are seen as decisive forces which shape the life of the individual. It is less commonly accepted that support of the gifted continues to be necessary after the studies have been completed.

[Answer] "Support has to be cut off at some point!" This is the position that is frequently expressed with regard to extended support for top-notch academics after they have finished their studies. Thus far, there has been far too little consistent selection of, and support for, the young generation of academics. Development of top-notch professors is, above all, a question of making a conscious distinction between the large majority of young academics and the small group of persons who will be among the leaders in the foreseeable future. This is the very point where practice has frequently come to a halt and there is fear of the consequences. Last year, during a meeting in Dresden concerning the new generation of scientists, comrade Hoernig, director of the Central Committee's science division, emphasized that more attention must be paid to extended support for the most creative ones among our young scientists. Comrade Hoernig said, "Support of the best is in demand not only among the students."

The goal of increasing the performance level of all academics requires that unjustified differences are minimized and conscious differentiation is made in order to support the best. Under socialism, supporting the gifted is really nothing else but taking into consideration, as individual advantages, the exceptional qualities of the individual and the degree of his specific talents. Despite this deeply humanistic and democratic character of support for the gifted, which has absolutely nothing to do with bourgeois theories and practices of educating the elite, long-term ideological work will still be necessary to create a climate among all participants--managers and management at all levels, scientific work collectives, and particularly among university

professors and the new generation of academics--that not only tolerates, but actively supports special assistance for special talents. Even a number of the academics who were interviewed expressed reservations when we talked with them about a larger differentiation between the best young scientists and the large majority of research students, research assistants and assistants, or about a similar differentiation among university professors. The higher up one gets on the professional ladder, the greater evicently is the reluctance to accept such differentiations and to draw practical conclusions from them. However, making everybody equal prevents any serious support for the best. This is the point in which the ideological problems of support for the gifted culminate. We must treat the valuable intellectual potential of our country with greater care.

7821

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POLITICS

ROMANIA

DECREE ON NATIONAL, LOCAL COUNCILS FOR SCIENCE, EDUCATION

Bucharest BULETINUL OFICIAL in Romanian Part I No 83, 31 Dec 85 pp 1-6

[Council of State Decree No 439]

[Text] **DECREE OF THE COUNCIL OF STATE**

on Organization and Operation of the National Council of Education and Science and the Councils of Science and Education of the Districts and the City of Bucharest

The Council of State of the Socialist Republic of Romania hereby decrees the following.

CHAPTER I

General Provisions

Article 1. The National Council of Science and Education, a party and state organ, has the mission of ensuring uniform implementation of party and state policy in the spheres of science, technology, and education, with the aim of promoting technical and scientific progress in all sectors of economic and social life, developing and improving education at all levels, training personnel, and carrying out revolutionary communist education of youth, in accordance with the objectives of the Program of the Romanian Communist Party for fashioning a comprehensively developed socialist society and moving Romania forward toward communism.

Article 2. The National Council of Science and Education is organized and operates as a deliberative body, broadly representative in character, which conducts its activities under the direct guidance of the Central Committee of the Romanian Communist Party and the Council of Ministers.

Article 3. The National Council of Science and Education provides management, guidance, and control of all activities in the spheres of scientific and technological research and of education.

Article 4. The National Council of Science and Education ensures mobilization of the entire scientific and technical potential of scientific research and technological engineering units, scientists, scientific research workers, technological engineers, teacher cadres, and research-development and production specialists, for the purpose of reaching the objectives and targets established in the Directive Program for scientific research,

technological development, and introduction of technical progress and the principal directions of development of science and technology in the Socialist Republic of Romania.

In the sphere of education, the National Council of Science and Education ensures attainment of the basic objectives of education relating to comprehensive training of cadres needed in all sectors of activity, closely coordinated with the production of material and intellectual wealth, to the molding, education, and preparation of the younger generation for life, to ongoing improvement in vocational, technical, and scientific training of workers, and to elevation of the general level of culture and knowledge of the people.

Article 5. The National Council of Science and Education must orient scientific research and educational activities so that they will outpace the objectives and requirements of development of society specified in the party program, five-year plans, and long-term forecasts and will ensure the promotion of original creative work and drawing upon the progressive traditions of Romanian education, science, and engineering.

Article 6. The National Council of Science and Education ensures improvement in vocational education and recycling of scientific research and technological engineering personnel and teacher cadres and contributes to their education in the revolutionary spirit of patriotism and socialist humanism, for the purpose of molding the new man, the builder of socialism and communism.

Article 7. The National Council of Science and Education ensures increase in the contribution made by the scientists, research workers, and teacher cadres of the Socialist Republic of Romania to the efforts exerted throughout the world to advance science and education and ongoing broadening of the exchange of values; it promotes scientific and technical cooperation with other countries, strives to increase the contribution made by Romanian science and education to enrichment of the universal storehouse of science, technology, and culture, and develops cooperative relationships with scientists and cultural and educational figures throughout the world in the struggle for disarmament and peace.

Article 8. The National Council of Science and Education also functions as a section of the Supreme Council of Economic and Social Development in the sphere of science, technology, environmental protection, and education.

CHAPTER II

Functions

SECTION 1

Functions in the Area of Scientific Research, Technological Development, and Introduction of Technical Progress

Article 9. The National Council of Science and Education directs, guides, and monitors all activity connected with scientific research, technological development, and introduction of technical progress, in order to reach the

fundamental objectives of socioeconomic development of the country, ensuring that chiefly the following will be accomplished by means of such activity.

(a) Promotion of technical progress in all sectors of the national economy, advancement of the technical and scientific revolution, utilization of the most recent accomplishments of science, and introduction and extension of advanced technologies, mechanization and automation, and application of electronics, robotics, and cybernetics in production processes.

(b) Full implementation of the energy program and elaboration of new solutions leading to increase in energy production, utilization of non-conventional sources, discovery and exploitation of new resources, lowering of consumption, and recovery and re-use of energy in all sectors of activity.

(c) Elaboration of new solutions and technologies contributing to discovery and exploitation of new raw materials and energy resources, and expansion of geological prospecting to discover new reserves of useful mineral substances.

(d) Implementation of programs for superior utilization of raw materials and intermediate products, creation of new materials, improvement of existing technologies and elaboration of new technologies leading to increase in the degree of utilization of raw materials and to lowering of consumption of materials and energy.

(e) Implementation of the plan for introduction of technical progress, ensuring completion of assignments relating to quality and efficiency of results obtained and to full utilization of such results in practical applications and in the life of society.

(f) Design and development of machinery, equipment, and installations characterized by high performance and high productivity and ensuring substantial reduction of consumption of materials and energy and of the physical effort required of laborers.

The design, official approval, and introduction into production of machinery, equipment, and installations which do not ensure higher output than existing equipment, lower production costs, and a high level of competitiveness of products in export are prohibited.

(g) Steadfast promotion in all economic sectors of standardization of products, structures, and technologies; restriction of the number of basic types to the absolute minimum and specification of the fields of application of these types; manufacture of products of modular design, structural unification of elements and subassemblies, all products, and production lines and installations; application of standards guaranteeing constant improvement in the engineering and quality parameters of products.

(h) Large-scale application of work output rating of consumption, with the aim of increasing the degree of utilization of materials and energy resources and of ensuring ongoing reduction of the consumption of raw materials, intermediate products, fuels, and energy.

(i) Official approval and practical application of the technologies developed and the products created, as well as patenting of the results obtained as provided by law.

(j) Analysis of proposals for imports of raw materials, products, technologies, and licenses; their approval or rejection, depending on their suitability and the potential for their use in Romania.

(k) Performance of functions relating to the development of agriculture and accomplishment of the new agrarian revolution; achievement of higher yields of cereals and industrial crops; creation of new plant varieties and hybrids of high production potential and with high resistance to inclement weather; genetic improvement in livestock breeds and creation of new species ensuring higher production; counteracting deterioration of the soil and increasing soil fertility and productive capacity.

(l) Improvement in application of the new economic and financial mechanism, worker self-management and self-administration, the socialist principles of labor and distribution, organization, planning, and management of economic activities.

(m) Improvement in economic activities in industry, agriculture, and all sectors of the national economy, for the purpose of promoting new solutions to bring about better organization of labor and production, lowering of production costs, and consumption of materials and energy; increase in the profitability and efficiency of all economic activities.

(n) Implementation of the provisions of the program for improving the material and spiritual welfare of the workers and the quality of life of the entire people, increasing and diversifying the production of consumer goods, improving the state of health of the public, and preventing pollution and preserving the quality of the environment.

(o) More intensive development of long-term research in all fields of human knowledge, in order to open up new horizons to applied research and to augment the contribution made by science to the general progress of the country and to enrichment of the treasury of universal scientific thought.

(p) Reduction of the time taken up by the cycle of research, development, and production, through prompt application of the results of research in production and effective participation by research and development personnel until the established parameters have been reached.

(r) Achievement of integration of scientific research activities with education and production; close linking of science to practical and public activities.

Article 10. The National Council of Science and Education is responsible for planning and organization of the activities of scientific research, technological development, and introduction of technical progress, for which purpose it performs the following.

(a) It draws up long-term forecasts in connection with the activities of scientific research, technological development, and introduction of technical

progress, and prepares programs relating to the orientation and principal directions of scientific and technological development.

(b) It discusses the draft plan for scientific research, technological development, and introduction of technical progress (which is a section of the unified national plan for social and economic development of Romania) and takes measures to ensure full implementation of this plan.

(c) It elaborates and discusses the drafts of special programs for development of individual sectors, as well as draft programs affecting several sectors, for the purpose of solving the complex problems that arise in the process of socioeconomic development of the country; elaborates research programs in the sphere of recovery and recycling of reusable material resources.

(d) It establishes measures for improvement in organization of the activities of scientific research, technological development, and introduction of technical progress, and for improvement in the content and increase in the efficiency of these activities.

(e) It analyzes personnel needs of individual sectors and areas for scientific research and technological development activities and makes recommendations for sensible manpower distribution in these activities.

(f) It establishes measures for securing and achieving efficient use of the equipment and materials resources of scientific research activities, in keeping with the requirements for socioeconomic development of the country.

(g) It draws up programs for improvement in vocational and political-ideological training, and for recycling of personnel in scientific research activities, and establishes measures for the implementation of these programs.

(h) It monitors implementation of party and state resolutions in the sphere of scientific research and introduction of technical progress by the National Committee for Science and Technology, other ministries and central authorities, and by the people's councils of the districts and of the City of Bucharest.

SECTION 2

Functions in the Sphere of Education

Article 11. The National Council of Science and Education directs, guides, and monitors the entire instructional and educational process in education at all levels, thereby ensuring that the following will be accomplished.

(a) A high level of vocational, technical, and scientific training and general culture; multiple-skill qualification and broad specialty training of school pupils and students, for the purpose of their immediate integration upon graduation into the production process and into public activities and of adapting them rapidly to the changes that take place in engineering and technology in all sectors.

(b) Thorough assimilation by pupils and students of the policy and ideology of the Romanian Communist Party, its revolutionary theory, and the dialectical materialist and historical conception of the world and life.

(c) Education and training of pupils and students for work and life; cultivation of love of country, party and people, and the past struggle of the Romanian people for national and social liberty; molding the younger generation in a revolutionary spirit, so that it will be fully aware of the responsibility assigned to this generation in society, in work, and in the struggle for building a new socialist and communist society, for defense of the revolutionary achievements of the people and the independence and sovereignty of the country;

(d) Promotion of the collective spirit of mutual aid, justice, love of truth, honor, modesty, and propriety, of respect for the resolutions of the party, the laws of the country, and the norms of socialist ethics and fairness.

(e) Achievement of integration of education with scientific research and production, closer linking of the entire educational process to practical, economic, and public activities.

Article 12. The National Council of Science and Education is responsible for planning and organization of instructional and educational activities in all educational units, for which purpose it performs the following.

(a) It discusses the draft program for provision of manpower, development of education, and ongoing improvement in personnel training (a section of the unified national plan for social and economic development of the country) and makes certain that this program is implemented.

(b) It discusses programs for constant improvement in the content and organization of education at all levels.

(c) It elaborates programs for improvement in vocational and political-ideological training, as well as recycling of personnel in education, and establishes measures for the implementation of these programs.

(d) It analyzes the activities conducted for training and enhancement of the qualifications of teacher personnel and proposes measures for rational utilization and distribution of such personnel over the entire country.

(e) It monitors implementation of party and state resolutions in the sphere of education by the Ministry of Education, other ministries and central authorities, and the people's councils of districts and of the City of Bucharest.

(f) It monitors the organization and conduct of on-the-job training of pupils and students, in accordance with needs for training qualified personnel for the national economy and for the purpose of assimilation of the knowledge and skills needed for efficient exercise of future professions.

(g) It establishes measures for procurement and efficient use of equipment and materials resources for activities in education, as a function of the requirements of socioeconomic development of the country.

(h) It makes certain that recruitment and assignment of manpower in scientific research and educational activities are carried out in accordance with the provisions of the unified national plan and in keeping with the provisions of research programs and the personnel requirement for education at all levels.

SECTION 3

Other Functions

Article 13. The National Council of Science and Education also performs the following functions in the sphere of scientific research and education.

(a) It monitors implementation of party resolutions and the laws of the country in the sphere of science and education.

(b) It monitors completion of assignments in plans and programs in the sphere of scientific research and education by ministries and other central authorities and by research and educational units.

(c) It monitors utilization of the funds, equipment and material resources, and personnel of research and educational units by ministries and other central authorities.

(d) It monitors organization and conduct of scientific and technical information and documentation activities and ensures ongoing improvement in the efficiency of such activities; approves the program of domestic scientific events that are of particular interest.

(e) It establishes the forms and methods of international cooperation in the sphere of scientific research and education and ensures increase in the efficiency of the related activities.

(f) It discusses the main drafts of laws and regulations relating to scientific research and educational activities at all levels.

(g) It coordinates and guides all creative scientific and technical activities and activities for elevating and widening the horizon of scientific, technical, and cultural knowledge of the masses of workers.

CHAPTER III

Organization and Operation

Article 14. The National Council of Science and Education is made up of scientists, scientific research workers, technological engineers, university professors, teachers and instructors, other teacher personnel in higher, elementary, gymnasium, lyceum, vocational, and foreman's education, other specialists and workers employed in production units and other sectors of economic and public life, and representatives of the National Council of Engineers and Technicians, the National Environmental Protection Council, the Union of Scientific Teacher Personnel Societies, the Association of Scientists, central party and state organs, and of mass and public organizations.

Article 15. The National Council of Science and Education is made up of 305 members.

The chairman of the National Council of Science and Education is an active member of the party and state leadership and a scientist, and is appointed by presidential decree.

The National Council of Science and Education also has two first deputy chairmen, four deputy chairmen, and two secretaries as members of its managing body.

The members of the National Council of Science and Education are nominated by the Congress of Science and Education and are appointed by presidential decree.

Article 16. The National Council of Science and Education is convened in plenary session once each year, or as many times as is required, by the chairman or at the request of one-third of the number of members of the council.

Article 17. The National Council of Science and Education conducts business when at least two-thirds of the number of its members are present, and passes resolution by open vote of a majority of the members of the council.

Representatives of state organs and public organizations may be invited to attend meetings of the National Council of Science and Education.

Article 18. Resolutions passed by the National Council of Science and Education are binding upon the National Committee for Science and Technology and the Ministry of Education, and also on other ministries and central and local authorities performing functions in the sphere of scientific research and education.

Article 19. The National Council of Science and Education is responsible, jointly and severally, to the Central Committee of the Romanian Communist Party for all activities of the council; each member is responsible to the council and to its chairman for performance of the tasks assigned to him.

Article 20. Routine collective management during the intervals between plenary sessions of the National Council of Science and Education is provided by the managing committee of the council made up of 35 members.

The chairman of the National Council of Science and Education is also the chairman of the managing committee of the council.

The composition of the managing committee of the council also includes two first deputy chairmen, four deputy chairmen, two secretaries, and 26 members.

The composition of the managing committee is approved by presidential decree.

The managing committee of the council organizes and is responsible for implementation of the resolutions of the National Council of Science and Education.

Article 21. The following special commissions are organized subordinate to the managing committee of the National Council of Science and Education to provide for conduct of activities.

Scientific Research Commissions

1. The commission for development of raw materials and intermediate product resources, power engineering resources, and new materials and energy sources.
2. The commission for introduction of technical progress, elevation of product quality level, and increase in labor productivity.
3. The commission for output rating of consumption and standardization.
4. The commission for planning and ensuring execution of scientific research activities, technological development, and growth of economic efficiency.

Educational Commissions

1. The commission for preschool, elementary, and gymnasium education.
2. The commission for lyceum, vocational, and foreman education.
3. The commission for higher education and advanced manpower training.
4. The commission for political educational activities.

The special commissions analyze, discuss, and take measures to ensure completion of the tasks assigned to them in the unified national plan for social and economic development of the country in connection with improvement of scientific research activities and development of education and educational-instructional and political-ideological activities.

Article 22. The mode of organization and operation of the special commissions and the composition of these commissions are established by the managing committee of the National Council of Science and Education.

Working groups of commission members and other specialists may be organized within the special commissions.

CHAPTER IV

Councils of Science and Education of the Districts and the City of Bucharest

Article 23. Councils of science and education are organized in districts and the City of Bucharest, under the direction of the National Council of Science and Education, to coordinate scientific research and educational activities at the local level.

The councils of science and education of the districts and the City of Bucharest operate under the party committees of the districts and the City of Bucharest.

Article 24. The councils of science and education provide for unified management, guidance, and control of scientific research, technological development, and educational activities in the local administrative units in which they operate.

The councils of science and education analyze, discuss, and take measures to ensure attainment of the objectives and completion of the tasks assigned to scientific research and educational units in the unified national plan for social and economic development of the country, in programs for scientific research, technological development, and introduction of technical progress, and in programs for improvement in organization and development of education and for organic integration of education with scientific research and production.

Article 25. The councils of science and education of the districts and the City of Bucharest are responsible for implementation at the local level of the resolutions of the National Council of Science and Education and of the managing committee of this council.

Article 26. The councils of science and education perform the following principal functions in the sphere of scientific research.

(a) They ensure and monitor completion of tasks in the plan for scientific research, technological development, and introduction of technical progress and in the special and multiple-sector programs assigned to the research and production units within the local administrative units in which they operate.

(b) They take measures to ensure conduct of research which leads to development of raw materials and energy resources through discovery and exploitation of new sources of raw materials and intermediate products and new energy sources, increase in the degree of recovery and superior utilization of raw materials and intermediate products, development of new materials and technologies with superior characteristics, replacement of energy-intensive technologies, and involvement of reusable material resources of all categories in the economic cycle.

(c) They establish measures for efficient implementation of the provisions of the program for introduction of technical progress, renovation and modernization of products, and improvement in product performance and quality parameters.

(d) They are responsible for completion of product standardization and consumption work output rating programs.

(e) They ensure performance of tasks relating to intensive development of agriculture, in accordance with the objectives of the new agrarian revolution, to obtain high, certain, and stable agricultural yields and to create new high-yield varieties of crops and breeds of livestock.

(f) They monitor and take measures to ensure efficient use of the equipment and material resources of scientific research and technological engineering units.

(g) They ensure integration of research with education and production.

(h) They establish measures for intensification of invention and innovation activities and for their application in production and public units.

(i) They organize and are responsible for implementation of programs for improvement in vocation and political-ideological training, and for recycling all personnel in scientific research activities.

Article 27. The councils of science and education have the following principal functions in the sphere of education.

(a) They make certain that the process of instruction and education in educational units at all levels is conducted in conformity with the approved educational plans and under the conditions provided by law.

(b) They take measures to make certain that the entire process of instruction and education of the younger generation is carried out on the basis of thorough knowledge and assimilation of the dialectical materialist and historical conception of the world and life and the revolutionary theory of the party.

(c) They ensure execution of measures connected with vocational, scientific, and technical training and elevation of the general level of culture of pupils and students.

(d) They are responsible for attainment of the objectives connected with comprehensive training of the personnel needed for all spheres of activity, with molding and education of the younger generation and preparation of this generation for work and life, training of a generation dedicated to country, party, and people, and with ongoing improvement in the vocational, technical, and scientific training of workers, in keeping with the latest accomplishments of science and technology and with the requirements for social and economic development of the country.

(e) They ensure accomplishment of integration of education with research and production.

(f) They analyze the results obtained in training and education of preschool children and pupils; establish measures for improvement in the activities conducted in educational units.

(g) They ensure the implementation of measures connected with on-the-job training of pupils and students and with mastery by them of the vocations in which they are trained.

(h) They take measures to provide the personnel required by educational units and to improve the professional and political-ideological training of such personnel.

(i) They monitor the school and vocational orientation activities conducted in educational units and ensure implementation of the scholarship plan and reporting to the jobs to which they are assigned by graduates who do not go on to higher education.

Article 28. The council of science and education is made up of 30 to 50 members appointed by the managing committee of the National Council of Science and Education.

The chairman of the council of science and education is a party and state activist.

The chairman is assisted by two deputy chairmen and one secretary.

Article 29. The council of science and education is convened in plenary education once a year, or as many times as is required, by the chairman or at the request of at least one-third of the number of members of the council.

The council conducts business when at least two-thirds of the number of its members are present and passes resolutions by open vote of a majority of the members making up the council.

To carry out guidance and control activities, the council may form working groups made up of its members, and may also employ other specialists to carry out these activities.

Article 30. The council of science and education is jointly and severally responsible to the National Council of Science and Education and to the district party committee or party committee of the City of Bucharest for all activities of the council; each member is responsible to the council and to its chairman for performance of the tasks assigned to him.

Article 31. Routine management of activities during intervals between sessions of the council of science and education is provided by an executive office made up of the chairman, two deputy chairmen, one secretary, and four to six members appointed by the council.

The chairman of the council of science and education is also the president of the executive office.

The executive office of the council ensures implementation of the resolutions of the council and performs the functions assigned by this body during the intervals between sessions of the council.

Article 32. Meetings of the executive office of the council of science and education are held monthly, or as often as is necessary, upon being convened by the president or at the request of at least one-third the number of its members.

The executive office conducts business when at least two-thirds of the number of its members are present and passes resolutions by open vote of a majority of the members making up the office.

Article 33. The executive office is jointly and severally responsible to the council of science and education for all activities of the office and to the district party committee or party committee of the City of Bucharest. Each member of the executive office is responsible to the office and to its president for performance of the tasks assigned to him.

CHAPTER V

Final Provisions

Article 34. Articles 17, 18, Paragraph 1, Articles 171, 176, and 177 of Law on Education No 28/1978, Decree No 150/1980 on organization and operation of the Superior Council of Education and of the educational councils of the districts and of the City of Bucharest, and any other conflicting provisions, are rescinded as of the date of this decree.

Article 35. Within a period of 30 days from the date of promulgation of this decree, the National Council of Science and Education will submit for approval draft decrees on organization and operation of the National Committee for Science and Technology and the Ministry of Education.

NICOLAE CEAUSESCU
President of the
Socialist Republic
of Romania

Bucharest, 31 December 1985
No 439

6115
CSO: 2700/89

POLITICS

ROMANIA

MEMBERS OF NATIONAL COUNCIL FOR SCIENCE, EDUCATION

Bucharest BULETINUL OFICIAL in Romanian Part I No 83, 31 Dec 85 pp 7-15

[Presidential Decree No 288]

[Text] **PRESIDENTIAL DECREE** on Membership of the National Council of Science and Education and of the Managing Committee of the Council

The President of the Socialist Republic of Romania hereby decrees the following.

Sole article. The membership of the National Council of Science and Education and of the managing committee of the council as listed in the annex, which forms an integral part of this presidential decree, is hereby approved.

NICOLAE CEAUSESCU
President of the
Socialist Republic
of Romania

Bucharest, 31 December 1985

ANNEX

MEMBERSHIP
of the National Council of Science and Education and of the managing committee of the council

I. NATIONAL COUNCIL OF SCIENCE AND EDUCATION

CHAIRWOMAN

ELENA CEAUSESCU

FIRST DEPUTY CHAIRMEN

Ursu, Ion

First deputy chairman, National Committee for Science and Technology

Teoreanu, Ion

Minister of education

DEPUTY CHAIRMEN

Dobrescu, Emilian	Minister secretary of state, National Committee for Science and Technology
Neculau, Viorica	Deputy Minister of Education
Florescu, Mihail	Minister secretary of state, National Committee for Science and Technology
Mihulecea, Cornel	Chairman, State Committee for Nuclear Energy

SECRETARIES

Floarea, Octavian	Secretary of state, Ministry of Education
Laudoniu, Diamanta	Deputy chairwoman, National Committee for Science and Technology

MEMBERS

Aburel, Lucian	Director, Scientific Research and Technological Engineering Institute for Shipbuilding, Galati
Agachi, Lucian	General school inspector, Bacau District
Alexandrescu, Domnica	General school inspector, Prahova District
Alboisie, Didina	Director, kindergarten of Roman Mechanical Enterprise, Neamt District
Aldea, Gheorghe	Director, Research and Development Institute for Petroleum and Gas, Cimpina
Andreescu, Dumitru	Director, Scientific Research and Technological Engineering Institute, Bucharest
Andreescu, Nicolae	Director, Nuclear Power Reactor Institute, Pitesti
Andreian, Cazacu-Cabiria	Professor, University of Bucharest
Andrunache, Emilia	Secretary for propaganda problems, Galati District Committee of the PCR [Romanian Communist Party]
Ardelean, Alexandrina	Secretary for economic problems, Iasi District Committee of the PCR
Ardeleanu, Florica	Laboratory chief, Energy Research and Modernization Institute, Bucharest
Anghel, Gheorghe	Director, National Institute of Information and Documentation

Anghel, Lucretia	Laboratory chief, Scientific Research and Technological Engineering Institute for Electronics, Bucharest
Ani, Matei	Chairman, Council of the Union of Associations of Communist Students of Romania, secretary, Central Committee, Union of Communist Youth
Anton, Ion	Professor, Timisoara Polytechnic Institute
Antonescu, Magdalena	Director, Industrial Lyceum No 4, Ploiesti, Prahova District
Antonovici, Vasile	Director, Scientific Research and Technological Engineering Institute for Mining Equipment and Hoisting Machinery, Timisoara
Arseni, Constantin	President, Academy of Medical Sciences
Arisanu, Ion	Deputy director, Institute of Animal Biology and Nutrition, Balotesti
Aromanesei, Alexandru	Director, Scientific Research and Technological Engineering Institute for Railroad Cars, Arad
Arnautu, Maria	Director, Industrial Lyceum No 8, Rimnicu Vilcea, Vilcea District
Atanasiu Draga	Scientific secretary, Central Institute for the Electrical Engineering Industry, Bucharest
Babiciu, Pavel	Director, Scientific Research and Technological Engineering Institute for Agricultural Machinery and Equipment, Baneasa-Bucharest
Babos, Ion	Director, Technological Engineering and Development Institute for the Electrical Engineering Industry, Bucharest
Badea, Ion	Chairman, National Water Resources Council
Badea, Minodora	Teacher, General School No 3, Drobeta-Turnu Severin, Mehedinti District
Balaci, Alexandru	Professor, University of Bucharest
Bancu, Gheorghe	Rector, Institute of Medicine and Pharmacy, Tirgu Mures
Barbu, Viorel	Rector, University of Iasi
Barbu, Maria	Teacher, deputy director, General School No 18, Craiova, Dolj District

Barna, Septimiu	Director, Technological Research and Development Institute for Glass and Fine Ceramics, Bucharest
Baciucu, Lazar	Secretary for propaganda problems, Botosani District Committee of the PCR
Badila, Elena-Maria	General school inspector, Giurgiu District
Badilita, Luminita	Deputy director, 23 August Industrial Lyceum, Bucharest
Balan, Dodu-Ion	Professor, University of Bucharest
Balu, Pia	Director, Research Center for Aluminum Technology, Slatina
Barbulescu, Elena	General school inspector, Olt District
Barbulescu, Nicolae	Deputy Minister of the Chemical Industry
Bejan, Georgeta	Director, General School No 5, Constanta
Beldie, Cameluta	Rector, Iasi Polytechnic Institute
Bercia, Iosif	Director, Institute of Geology and Geophysics, Bucharest
Bistriceanu, Victoria	Secretary general for propaganda problems, Dolj District Committee of the PCR
Bilbie, Vlad	Director, Cantacuzino Institute, Bucharest
Birca, Cristian	Director, Scientific Research and Technological Engineering Institute for Electrical Engineering, Bucharest
Bizu, Victor	Director, Research Apparatus and Equipment Enterprise, Bucharest
Blagau, Georgeta	Director, Lipova Industrial Lyceum, Arad District
Bobeica, Natalia	Director, Kindergarten No 10, Comanesti, Bacau District
Boboc, Nicu	General director, Central Institute of Mathematics
Boiangiu, Maria	Design engineer, Rolling Mill Department and Plant Design Institute, Bucharest
Bolog, Vasile	General school inspector, Timis District
Bondrea, Aurelian	Director, Directorate of Personnel, Education, Organization, and Control, Ministry of Education

Borhan, Gheorghe	Director, Research and Development Institute for the Cellulose and Paper Industry, Braila
Bosdoghina, Ana	Director, Kindergarten No 5, Sibiu
Bucur, Iuliana	General director, Wool Industry Central Agency, Bucharest
Bucureasa, Viorica	Teacher, General School No 6, Fagaras, Brasov District
Bucur, Maria	General school inspector, Arad District
Bodai, Lucia	Deputy director, Industrial Lyceum No 6, Satu Mare
Bujgoi, Gheorghe	Director, Scientific Research, Technological Engineering, Research and Development, and Production Institute for the Inorganic Chemical and Non-Ferrous Metals Industry, Bucharest
Bunoiu, Iancu	General school inspector, Mehedinti District
Buracu, Mihail	General state inspector, General State Inspectorate for Product Quality Control
Buzescu, Ion	Director, National Heat Engine Institute, Bucharest
Catargiu, Irimie	Deputy minister of mines
Ceausescu, Zoia	Department head, Scientific Research and Technological Engineering Institute for Aviation, Bucharest
Ceausescu, Valentin	Scientific secretary, Institute of Nuclear Physics and Engineering, Magurele-Bucharest
Cebuc, Maria	Secretary for propaganda problems, Brasov District Committee of the PCR
Chiriac, Flores	Rector, Institute of Construction, Bucharest
Chirila, Calin	Director, Scientific Research and Technological Engineering Institute for Passenger Automobiles, Colibasi-Pitesti
Chiru, Gica	Secretary for propaganda problems, Dimbovita District Committee of the PCR
Chivu, Vasilica	Scientific secretary, Central Institute of Heavy Equipment, Bucharest
Ciocirlea, Ioana	Scientific secretary, Scientific Research and Technological Engineering Institute for Mechanical Equipment, Bucharest

Cojocaru, George	Director, Technological Design Institute for Light Industry, Bucharest
Colesnicencu, Ileana	Secretary for propaganda problems, Tulcea District Committee of the PCR
Comsa, Natali	Professor, Blaj Teacher's Lyceum, Alba District
Constantinescu, Ion	Minister secretary of state, State Planning Committee
Cornea, Felicia	Professor, Bucharest Polytechnic Institute
Condrea, Elena	General school inspector, Vaslui District
Condurache, Ion	Director, Motru Industrial Lyceum, Gorj District
Cornea, Stefan	Director, Manufacturing Research and Development Center for Iron and Steel Products, Hunedoara
Coteanu, Ion	Director, Institute of Linguistics, Bucharest
Craiu, Corneliu	Director, Research and Development Center for Waste Water Treatment, Bucharest
Cretu, Aurelia	Professor, General School No 7, Dorohoi, Botosani District
Cristea, Maria	General School Inspector, Satu Mare District
Cristescu, Poliana	Chairwoman, National Council of the Pioneer Organization; secretary, central committee, Union of Communist Youth
Cristescu, Valeriu	Director general, Central Research and Development Institute in Construction, Bucharest
Calinoiu, Nicolae	Rector, Ciprian Porumbescu Conservatory, Bucharest
Catanoiu, Floarea	Deputy director, Industrial Lyceum No 3, Craiova, Dolj District
Cozma, Stefan	Deputy director, Research and Development Institute for Non-Ferrous Ores, Baia Mare
Czerwinski, Constanta	Secretary for propaganda problems, Ialomita District Committee of the PCR
Dabijsa, Mioara	Deputy director, Design Institute for Standardized Structures, Bucharest
Danciu, Maria	Director, Lyceum of Mathematics and Physics, Braila
Den, Valentina	Prorector, Calati University

Decean, Constanta	General school inspector, Alba District
Dediu, Rodica	Director, General School No 10, Onesti, Bacau District
Degeratu, Cornelia	Director, Institute of Physical Medicine, Balneoclimatology, and Medical Recovery, Bucharest
De Sabata, Violeta	Rector, Timisoara Polytechnic Institute
Despoiu, Maria	Director, Rimnicu Sarat General School, Buzau District
Dinra, Gheorghe	Prorector, University of Bucharest
Dobrea, Virgil	Director, Study and Development Institute for Land Improvement, Bucharest
Dobre, Nicolae	Director, Directorate for Standardization and Work Output Rating of Consumption
Dobrescu, Viorica	General director, Industrial Central Agency of Plastic Processing, Bucharest
Doca, Ion	Director, Research Center for Chemical Fertilizers, Craiova
Dogaroiu, Emanoil	General school inspector, Braila District
Dragan, Iancu	Director, Institute of Metallurgical Research
Dragan, Ioan	Rector, Cluj-Napoca Polytechnic Institute
Draganescu, Vasile	Section chief, Institute of Physics and Radiative Equipment, Magurele-Bucharest
Draghici, Ecaterina	General school inspector, Vrancea District
Dragulin, Mircea	General director, Central Institute for Heavy Equipment, Bucharest
Dulama, Dan	Deputy Minister of the Metallurgical Industry
Dumitrescu, Corneliu	Rector, Institute of Architecture, Bucharest
Dumitrescu, Pompilia	Laboratory chief, Research, Technological Engineering, Planning and Design, and Production Institute for the Inorganic Chemical and Non-Ferrous Metals Industry
Dutu, Olga	General school inspector, Constanta District
Fajes, Iuliu	Sector chief, Central Council of Worker Control of Economic and Social Activities

Fica, Agripina	Deputy director, Institute of Leather Goods and Footwear Research, Bucharest
Fieroiu, Victoria	Laboratory chief, Chemical Research Institute, Bucharest
Filep, Ana	Director, Craciunesti General School, Mures District
Filer, Ionica	Director, Galati Industrial Lyceum
Fodor, Dumitru	Rector, Petrosani Institute of Mines
Fodor, Iosif	Director, Research and Development Institute for Non-Metallic Substances, Cluj-Napoca
Foles, Ion	Minister of Geology
Furo, Iuliu	Secretary of state, Ministry of Education
Gabra, Ilie	Secretary for propaganda problems, Covasna District Committee of the PCR
Gadea, Suzana	Chairwoman, Council of Culture and Socialist Education
Gagiu, Adriana-Cristina	General school inspector, Neamt District
Gavrilescu, Dan	Director, Technological Engineering and Development Institute for the Heavy Equipment Industry, Bucharest
Gavrilita, Lorica	Rector, Institute of Medicine and Pharmacy, Iasi
Georgescu, Elena	Director, Steagul Rosu Industrial Lyceum, Brasov
Georgescu, Emil	Director, Pesticide Research Institute, Bucharest
Georgian, Liliana	Chief research worker, Dr V. Babes Institute, Bucharest
Gheorghiade, Georgeta	Deputy director, Scientific Research and Technological Engineering Institute for Precision Mechanics and Tools, Bucharest
Ghionea, Dumitru	Director, Technological Engineering and Design Center for Machinebuilding, Bucharest
Ghise, Dumitru	Prorector, Stefan Gheorghiu Academy
Goiceanu, Elena	Director, General School No 139, Bucharest
Goidea, Dumitru	Deputy director, Research, Technological Engineering, and Design Institute for Refineries, Ploiesti

Gramaticu, Elena	Director, Industrial Lyceum No 2, Birlad, Vaslui District
Groza, Severian	Director, Petrosani Industrial Lyceum, Hunedoara District
Hagiescu, Silvia	Chief research worker, Institute of Research in Construction and Construction Economy, Bucharest
Haiduc, Maria	Chief research worker, Astronomy and Space Science Center, Magurele-Bucharest
Hatmanu, Dan	Rector, Iasi Music Conservatory
Heinrich, Alexandru	Deputy Minister of Equipment and Material Supply and Control of Fixed Capital Management
Hera, Cristian	Director, Research Institute for Cereals and Industrial Crops, Fundulea, Calarasi District
Hoza, Gavril	General school inspector, Bistrita-Nasaud District
Huidumac, Ion	General school inspector, Teleorman District
Ianculescu, Marian	Director, Institute of Forest Research and Management, Bucharest
Ignat, Domnica	Director, General School No 17, Oradea, Bihor District
Iliescu, Marin	Director, Directorate of Social Sciences and Educational and Athletic Activities, Ministry of Education
Imre, Magdalena	Director, Kindergarten No 2, Tirgu Secuiesc, Covasna District
Ionel, Adrian	Rector, Iasi Agronomic Institute
Ionescu, George	Rector, Cluj-Napoca Institute of Medicine and Pharmacy
Ionescu, Constantin	General Director, Romanian Standardization Institute
Ionescu, Maria	General Director, Central Institute of Chemistry
Ionescu, Reasilvia	Chief engineer, Research and Development Institute for Petroleum and Gas, Prahova District
Istratescu, Constanta	Chief research worker, Research and Development Institute for the Wood Industry, Bucharest
Isaroiu, Angela	Secretary for propaganda problems, Mures District Committee of the PCR

Ivan, Doina	General Director, Central Institute of Biology
Ivascu, Marin	General Director, Central Institute of Physics
Jinga, Ion	General school inspector of the City of Bucharest
Jinescu, Gheorghita	Dean, Faculty of Chemical Process Equipment and Engineering, Bucharest Polytechnic Institute
Jora, Costica	Director, Agroindustrial Lyceum, Insuratei, Braila District
Juncu, Octavian	Director, Scientific Research and Technological Engineering Institute for Electronics, Bucharest
Kolozsvary, Zoltan	Shop chief, Scientific Research and Technological Engineering Institute for Light Industry Machinery, Bucharest
Lascu, Gabriela	Deputy director, Institute of Nutritional Chemistry, Bucharest
Lazar, Rodica	Director, Industrial Lyceum No 2, Deva, Hunedoara District
Lazarescu, Mihaela	Section chief, Institute of Hydraulic Engineering Research, Bucharest
Lemne, Marioara	Chief research worker, Institute of Geology and Geophysics, Bucharest
Leustean, Floarea	Secretary for propaganda problems, Suceava District Committee of the PCR
Luca, Constantin	Director, Chemistry and Physics Center, Bucharest
Luca, Gheorghe	Deputy director, Institute of Hydraulic Power Engineering Research and Development, Bucharest
Luca, Sinica	Director, Cobadin Agroindustrial Lyceum, Constanta District
Lupescu, Lidia	Director, Trusesti Agroindustrial Lyceum, Botosani District
Maghiar, Teodor	Dean, Faculty of Technical Education, Assistant Engineer Institute, Oradea
Manitiu, Carol	General director, Central Institute for Machine-building
Marcu, Gheorghe	Director, Cluj-Napoca Institute of Chemistry

Marian, Anica	Chief research worker, Research and Technological Engineering Center, Fagaras Chemical Complex, Brasov District
Marinescu, Elena	Director, General School No 5, Oltenita, Calarasi District
Marinescu, Valeria	Secretary for propaganda problems, Maramures District Committee of the PCR
Marinoiu, Gheorghe	Secretary for economic problems, Bucharest Municipal Committee of the PCR
Mandita, Eugenia	Member, Executive Office, National Council of Women
Mateescu, Iulian	Director, Scientific Research and Technological Engineering Institute for Aviation, Bucharest
Mateias, Elena	General school inspector, Calarasi District
Maxim, Olivia	Teacher, General School No 7, Zalau, Salaj District
Meghesan, Victor	Director, Scientific Research and Technological Engineering Institute for Computer Engineering and Data Processing, Bucharest
Mesteru, Ana	Director, Agroindustrial Lyceum, Dragomiresti-Vale, Giurgiu District
Miclea, Alexandru	Director, Research and Development Institute for Coal Mining, Petrosani, Hunedoara District
Mihai, Elena	Director, Bucharest Industrial Lyceum
Mihailescu, Cezarina	Director, Industrial Lyceum No 1, Sighisoara, Mures District
Mihaila, Lucia	Director, Pancia General School, Vrancea District
Mihailescu, Radu	Director, Scientific Research and Technological Engineering Institute for Compressors and Rolling Stock, Bucharest
Mihailescu, Mihaela	Deputy director, Research and Development Institute for the Construction Materials Industry, Bucharest
Mitrofan, Maria	Secretary for propaganda problems, Hunedoara District Committee of the PCR
Mocanu, Rada	Deputy Minister of Education
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Negucioiu, Aurel	Rector, University of Cluj-Napoca
Nicola, Tiberiu	Rector, University of Craiova
Niculescu, Atanase	Director, Scientific Research and Technological Engineering Institute for Petroleum Equipment, Ploiesti
Niculescu, Mihai	Director, Metallurgical Department and Plant Planning and Design Institute, Bucharest
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Nicolescu, Georgeta	General school inspector, Buzau District
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Pamfil, Anca	Director, Industrial Lyceum No 1, Suceava
Pascu, Stefan	Professor, University of Cluj-Napoca
Paun, Ludovic	Rector, Institute of Medicine and Pharmacy, Bucharest
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Peculea, Marius	Plant director
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Petrescu, Iulia	Director, Institute of Textile Research, Bucharest
Petrescu, Nicolae	Director, Scientific Research and Technological Engineering Institute for Tractors, Brasov
Pert, Steliana	Chief research worker, Institute of Socialist Economy, Bucharest
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Petho, Elena	Professor, Mathematics and Physics Lyceum, Miercurea-Ciuc, Harghita District
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Piscoi, Viorica	General school inspector, Bihor District
Pintea, Cornelia	Director, Industrial Lyceum No 1, Medias, Sibiu District
Plesa, Adriana	Director, Industrial Lyceum No 1, Bistrita, Bistrita-Masaud District

Plosceac, Paraschiva	Director, General School No 5, Radauti, Suceava District
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Popescu, Ion	Prorector, Bucharest Polytechnic Institute
Popescu, Mitica	Laboratory chief, Research Center for Anticorrosive Protection, Varnishes, and Paints, Bucharest
Popovici, Neculai	Deputy director, Technological Engineering and Development Institute for the Chemical Industry, Bucharest
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Rizescu, Corneliu	Deputy director, Metallurgical Research Institute, Bucharest
Roth, Andrei	Director, Timisoara District Planning and Design Institute
Rosca, Lucia	General director, Central Institute of Power Engineering Research
Rusu, Corneliu	Director, Institute of Industrial Economy, Bucharest
Sandu, Aurel	General director, Central Institute for the Electric Engineering Industry
Saghian, Ion	Director, Armasesti Agroindustrial Lyceum, Ialomita District

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Sitar, Viorica	Director, General School No 2, Cavnice, Maramures District
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Stefanescu, Stefan	Director, Institute of History, Bucharest
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Vilceanu, Radu	Director, Timisoara Organic Chemistry Center
Visarion, Viorel	Director, Institute of Physics and Materials Technology, Bucharest
Virgolici, Romeo	Director, Scientific Research and Technological Engineering Institute for Power Engineering Equipment, Bucharest
Vizitiu, Aurica	General Director, Industrial Central Agency for Synthetic Filaments and Fibers, Savinesti, Neamt District

Voinea, Radu	President, Academy of the Socialist Republic of Romania
Voicila, Angela	Deputy director, Directorate of Investment, Repair, and Mechanical-Power Engineering, Ministry of the Electrical Engineering Industry
Volintiru, Tanase	Director, Research Institute for Rubber and Plastic Processing, Bucharest
Vrabie, Nicu	General school inspector, Harghita District
Zagone, Lucretia	Director, Industrial Lyceum No 5, Timisoara
Zahiu, Letitia	Lecturer, Academy of Economic Studies, Bucharest

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Teoreanu, Ion	Minister of Education

DEPUTY CHAIRMEN

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Neculau, Viorica	Deputy Minister of Education
Florescu, Mihail	Minister secretary of state, National Committee for Science and Technology
Mihulecea, Cornel	Chairman, State Committee for Nuclear Energy

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Florescu, Octavian	Secretary of state, Ministry of Education
Laudoniu, Diamanta	Deputy chairwoman, National Committee for Science and Technology

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Ivan, Doina	General director, Central Institute of Biology
Ivascu, Marin	General director, Central Institute of Physics
Manitiu, Carol	General director, Central Institute for Machine-building
Muresan, Tiberiu	President, Academy of Agricultural and Forestry Sciences
Negucioiu, Aurel	Rector, University of Cluj-Napoca
Nicola, Tiberiu	Rector, University of Craiova
Nita, Constantin	Secretary, Central Council of the General Union of Trade Unions
Petrescu, Barbu	General director, Central Institute of Economic Research
Popescu, Iovit	Rector, University of Bucharest
Rizescu, Corneliu	Deputy director, Metallurgical Research Institute, Bucharest
Rosca, Lucia	General director, Central Institute of Power Engineering Research

Sandu, Aurel

General director, Central Institute for the Electrical Engineering Industry

Tache, Voicu

Rector, Bucharest Polytechnic Institute

Voinea, Radu

President, Academy of the Socialist Republic of Romania

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POLITICS

YUGOSLAVIA

'UNTRUTHS' REGARDING FORMATION OF MACEDONIAN CHURCH REFUTED

Belgrade BORBA in Serbo-Croatian 25-26 Jan 86 p 2

[Article by Dragan Nikolic in response to an interview with Dr Dragoljub Zivojinovic, dean of the School of Philosophy of Belgrade University, published in INTERVJU: "Who Does the Macedonian Church Belong to?"]

[Text] The statement by Dr Dragoljub Zivojinovic, dean of the School of Philosophy at Belgrade University, in the last issue of INTERVJU was perceived in Macedonia as a malicious falsehood, as was testified to and stated in the Republic Conference of the SANPM a few days ago when the activity of religious communities in this republic was debated.

Above all, the "conflicts concerning the autocephalic nature of the Macedonian church" did not arise "in relation to the growing statehood of the republics" (as asserted by Dr Dragoljub Zivojinovic), but because the top leadership of the Serbian Orthodox Church (in opposition to the Serbian clergy) was not willing to recognize the right of Macedonian believers, in keeping with the decisions of their councils, to have their own church. Deprivation of that right, on the pretext that church canons have to be respected (incidentally, they have been violated by all the Orthodox Churches when they made similar proclamations), is nothing other than contesting the natural right of believers, of a free people, who have freely expressed a desire to have their own church. It is only with canons that this opposition can be justified, but this is untenable in practice, as testified in its way by the history of Orthodoxy.

Zivojinovic's assessment that "separation of the Macedonian Orthodox Church from its parent church in Serbia diminished it in political and religious terms" is not accurate, but rather the purpose of failing to recognize it is to assign it such a place in spite of the fact that it has become a factor bringing together Macedonian believers in all latitudes (especially in overseas countries), which has among other things made it impossible for them to be recruited by certain churches who have been operating with manifestly anti-Macedonian and anti-Yugoslav programs. Incidentally, the Macedonian church communities in those countries have been playing a constructive role in nurturing Macedonian and Yugoslav patriotism and have been developing cooperation with the homeland.

It is very difficult to explain why this "amounts to carrying water for a pro-Bulgarian policy," as Zivojinovic supposes it to be.

"Republic statism" did not create, nor could it have created the Macedonian Orthodox Church, but neither did it have any reason to prohibit (with the police) the holding of the founding councils of Macedonian believers. This simply is the business of the believers themselves and their natural right. From the standpoint of Orthodoxy, in spite of the "desire of the Vatican to break up and weaken Orthodoxy," creation of the Macedonian Orthodox Church can play only a constructive role, since this puts an end to the anachronistic demands and quarrels of several Orthodox churches over the Macedonian believers all over the world. The aggressive things that occurred during the entire 19th century and indeed during this century did not strengthen Orthodoxy, but on the contrary this was a constant stumbling block in relations among its churches.

Nor is the assertion correct that only a universal council, held once every 1,000 years, could recognize the Macedonian Orthodox Church, nor that the "patriarch of the Serbian Orthodox Church can do nothing here," when we realize that such a council has not recognized virtually any of the existing Orthodox Churches. It is well known, however, that the Orthodox Churches would recognize the Macedonian Orthodox Church if it were recognized by the top leadership of the Serbian Orthodox Church. Recognition or nonrecognition of the Macedonian Orthodox Church by the top leadership of the Serbian Orthodox Church actually amounts to the universal council for the purposes of the Macedonian Orthodox Church.

However, the worst thing nevertheless in the statement of Dr Dragoljub Zivojinovic is that he is not sure how much this has to do with the Bulgarians and with a pro-Bulgarian orientation among certain people here, just as he is certain of the fact that such currents have not left the scene in our country. However, it might be said with certainty that that is a malicious insinuation belonging to the kind of propaganda that is still being spread only by those systems which have designs on Macedonia and on the right of the Macedonian people to exist as a free people.

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POLITICS

YUGOSLAVIA

CATHOLIC WEEKLY DENOUNCES ANTI-CHURCH ARTICLE IN BELGRADE PRESS

Zagreb GLAS KONCILA in Serbo-Croatian No 5, 2 Feb 86 p 5

[Editorial concerning an interview with Dr Dragoljub Zivojinovic published in INTERVJU on 17 January 1986: "Falsehoods Which Foment Enmity"]

[Text] In a time when very distinguished representatives of religious communities and the sociopolitical community in our country are seeking ways of mutual understanding and cooperation and are emphasizing with unconcealed satisfaction certain achievements of those efforts, just recently our public has been inundated from Belgrade by a wave of incredible falsehoods which arouse enmity and seem to frustrate in advance any mutual trust. We are referring to an interview which Dr Dragoljub Zivojinovic, full professor and acting dean in the School of Philosophy of Belgrade University, gave on 17 January of this year to the magazine INTERVJU. We have learned that he took his doctorate in the United States, that he is a specialist in World War I, and that in particular he has published books on the Vatican. In view of the stated scientific reputation his assertions ought to be the concern of a professional historian, but in view of what he actually wrote, it must provoke the conscience and good taste of the well-intentioned reader with an average education. That is, it is difficult to believe that the appearance of this article is accidental, that it was not deliberately and with very definite aims inserted into the moment in history mentioned above.

Fear of a Marxist-Catholic Dialogue

Dr Zivojinovic simply says that "in its ideology the Vatican is an enemy of socialism." What he is referring to here as ideology can only be Christianity, and the assertion that Christianity as such is an enemy of socialism truly does no credit to socialism. But is it any wonder that in the same article he should soon reproach Cardinal Gaspari, Vatican state secretary, for having demanded that the new state of Yugoslavia be a republic rather than a monarchy back in 1919, altogether in conformity with the programs of the Croatian Peasant Party and the Communist Party? And Zivojinovic attributes the downfall of the old Yugoslavia to the activity of the Comintern and the Vatican. Either we do not know how to read, or someone in this country truly would like at this precise moment to arouse enmity of broad strata both against Communists and against Catholics simultaneously, against the League of Communists and against the Catholic Church. It is a difficult attempt to understand, it would seem to be harmless, but it is not naive by any means.

Who Benefits From Concordats?

It is interesting that Zivojinovic should portray that Vatican, which according to him is always malicious, as wanting to conclude concordats with Serbia and Montenegro, and then he admits that both Montenegro in the 1886 Concordat and the Kingdom of Serbia in the 1914 Concordat derived much more benefit than the Vatican did, since those concordats "pacified the Catholic elements of the annexed Montenegro," and "met with an extremely positive response among Catholics in the monarchy (Austro-Hungarian) who favored South Slav unification." That would mean that the Vatican was so "maliciously inclined" toward these Orthodox states in the Balkans that in concluding the concordats it was pacifying Catholics and bringing them to have trust in those states.

Without entering into all the lies which Zivojinovic tells about the political and economic relations between Serbs and Croats on our soil, we will dwell on the obvious falsehoods concerning the Catholic Church. We learn in this way that the first archbishop of Sarajevo Stadler was a "Jesuit," though everyone knows that Stadler did not belong to either the Jesuitic nor any other religious order.

When Did Pious XII Live?

Zivojinovic says: "The culmination of Vatican and Viennese indisposition was in 1912 and 1913 during the Balkan wars when Pious XII called Serbia a 'savage and barbarian land which should be punished and forced to return everything it has taken.'" But who is there who does not know that Pious XII became pope only in [date illegible; actual date was 1939].

The distinguished professor goes on very "progressively," as we have already mentioned, in reproaching Cardinal Gaspari for having wanted the people to rule in the new state instead of a dynasty, and then he imagines that in 1928 "the pope sent a message to the clergy to undertake an offensive against the institutions of the state," as well as that business about the strange tie-up between the Comintern and the Vatican against the "Yugoslavia created at Versailles." It turns out that the Holy See was not so afraid of the spread of Stalinist Communism as it was desirous of causing harm to Serbia and Serbia was greatly threatened without its dynasty. He says that at that time the Communists and Catholics spread the falsehood about the hegemony of the Great Serbian bourgeoisie only in order to set our nationalities at odds.

"Experimental Catholic State"

Then came World War II with all the misfortunes and bloody atrocities on our soil. Zivojinovic places in quotation marks, as though he were copying it from some well-known document, an alleged Vatican evaluation of those atrocities: "It is ugly, but useful! Amen!" Of course, no one in the ranks of the Catholic Church ever uttered anything of the kind, but present-day readers who believe such a thing will be able to quote Dr Zivojinovic, since why would they doubt the honesty of a scholar who even took his doctorate in America? Then we learn that Archbishop Alojzije Stepinac was a "gray eminence of Pavlic's Experimental Catholic State." That would make the NDH [Independent

State of Croatia] the "Experimental Catholic State"! Was it not entirely imbued with the influence of the Third Reich, in which atheistic Nazism was in power? Not even our bourgeois press published a portion of the Vatican documents from which one can very well see the tension that prevailed between the Ustasha leadership and our episcopate. It will take nothing more than the opening of the transcripts of the conferences of bishops held in Zagreb during the war to make this still more obvious: Just, God, do not allow those documents to get into the hands of specialists like Zivojinovic. After all, from somewhere he knows about the practice of burning documents. He says that "before his death Pope Pious XII burned all the important documents which compromised Vatican policy during his pontificate." If that is the same "Pious XII" who said such ugly things against Serbia back in 1913, then there is no problem, since a pope who at that time ruled for such a long time truly did not exist, and it would be clear that Zivojinovic is not writing history, but is fabricating myths to do service for hatred. But however that might be, in 2,000 years not a single piece of paper has been burned in the Vatican, but rather everything is jealously laid away in the archives. Without those Vatican archives there would be no science of history today, and there would be no such subject in which to get a doctorate.

Who Is the Catholic Primus in Yugoslavia?

Is there any need to enumerate the falsehoods in the remainder of that interview? When was it that Cardinal Casaroli admitted that "there had been serious mistakes" in Vatican policy toward Yugoslavia? In what year was the archbishop of Zagreb named "Catholic primus in Yugoslavia"? Is the professor unaware that in Yugoslavia there is only one Catholic primus, that his seat is in Bar, and that he is called the primus of Serbia?

We hear for the first time that the cathedral in Zagreb undertook certain quite important actions during the mass movement in 1971. It is much more important that Zivojinovic again says that the Catholics are ready to collaborate with the Communists, counting "on separation." The man is greatly afraid of a dialogue between Christians and Marxists in this country. But who is to believe him that that dialogue is headed "toward separation"? And one must unavoidably ask who and what was the target of that entire interview.

Invented Statistics

The professor's assertion "that before World War II there were 1.7 million Orthodox inhabitants in Croatia, while today there are only 700,000 of them" has nothing at all to do with the facts. What Croatia is it that he is talking about before World War II? About the Sava and coastal banates? About the Croatian Banate? Or perhaps he is thinking of the situation at that time in what is now SR Croatia? Where did he find those figures? He asserts a falsehood which easily becomes a slogan and arouses enmity. According to him, the Vatican was even involved during the unrest in Kosovo. According to him, the Vatican is inciting even the Muslims, and especially the Macedonian Orthodox Church. Anyone who has ever been against the hegemony of the Great Serb ruling stratum (since no intelligent person attributes that hegemony to the Serbian people) is in cahoots with the Vatican according to Zivojinovic.

The Autocephalic Nature of the Orthodox Churches

In speaking about the independence of the Macedonian Orthodox Church, which according to him is a "need for Macedonian republic statism" and serves a pro-Bulgarian policy and certainly the intense desire of the Vatican to break up Orthodoxy, Professor Zivojinovic again displays his immense ignorance. He says that recognition of the Macedonian Orthodox Church is practically impossible, since only "a universal council can officially recognize a church's autocephalic status," and that "church councils in the Orthodox Church are held once every 1,000 years." It is no mean trick to cram so much ignorance in so few lines. Indeed, the last universal church council recognized by Orthodoxy was the Second Nicean Council in 787 (the year 7 in the ecumenical calendar). Slightly more than 1,000 years have passed since that time. But before that the Orthodox Church and the Catholic West regularly held such councils in 325, 381, 431, 451, 553, and 680. By that logic the Serbian Orthodox Church--which was born only in the 13th century, and was organized in its present form only after World War II--would not be autocephalic at all in the spirit of Orthodox Church legislation!

"Gulag" or Pluralism?

Ultimately we learn from Zivojinovic that there are progressive theologians among the Catholic priests in Croatia; "however, their ideas are being smothered by repressive measures, their human rights have been smothered." The church, he says, "is persecuting them, sending them to isolated monasteries, to out-of-the-way villages," and "there are entire Catholic gulags for dissident intellectuals in monks' habits all over the world and indeed even in Croatia." Here the professor's imagination has truly surpassed all bounds. That is, it is well known that certain newsmen in the bourgeois press persistently tried to proclaim some of our theologians to be church dissidents, and Zivojinovic is probably referring to them. However, it is also well known that those Croat priests, theologians, who have had or who still have certain problems with the hierarchy, administrative and organizational problems, not doctrinal ones, have not been expelled from our church. Not only are they authorized every day to celebrate mass, to preach, and take confession in their episcopates, but many of them sit in important chairs of our theological seminaries at the university level, and some of them even carry on the strongest Catholic publishing activity in the country and on commission from the episcopates prepare publications of official church documents and prayer books for worship.

The falsehoods in Zivojinovic's interview are more than obvious; that makes it still more important to wonder about the intentions. After all, he says that nothing happens by accident. Will those responsible discover that this interview is a case of very dangerous inflaming of ethnic and religious enmity as well as of a grave injury to the state of the Holy See, with which the SFRY has diplomatic and friendly relations?

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SOCIOLOGY

GERMAN DEMOCRATIC REPUBLIC

COMBINE LEADERS GUILTY IN FISCAL MANIPULATION

East Berlin NEUE JUSTIZ in German Vol 40 No 2, Feb 86 pp 68-69

[Article by Dr Guenter Wolf, Public Prosecutor of Schwerin bezirk:
"General Supervision of Legality by the Public Prosecutor"]

[Text] Articles 2, 3, 4, 6 of VO [ordinance] on planning, formation and use of the cultural and social fund for state enterprises of 3 June 1982 (GBI I No 24 p 427); articles 4, 6 of AO [order] on planning, formation and use of the bonus fund of state enterprises of 14 April 1983 (GBI I No 11 p 121); articles 16, 18, 25 of the ordinance on financing guidelines for state industry of 14 April 1983 (GBI I No 11 p 110).

On the responsibility of enterprises in dealing with funds earmarked for a purpose, which include funds for measures to improve working and living conditions of the workers.

Protest by the public prosecutor of Schwerin bezirk of 6 May 1985 - 113 - 47 - 85.

Within the framework of reviewing a report (article 95 of the Code of Criminal Procedures) in which state control organs also participated, it was ascertained that in the state combine E., resources from the cultural and social fund, the bonus fund and the investment fund had been used contrary to law. Decisions were made and measures taken which are contrary to managerial responsibility regarding planning and use of the resources.

Under article 31 of the Public Prosecutors Law, the bezirk public prosecutor lodged a protest with the combine director.

Excerpts from the argument:

The use of corporate funds in the reproduction process of state enterprises according to plan and geared toward greatest effectiveness is an essential prerequisite for the continuous fulfillment and surpassing of production targets, and thus a decisive condition for further successful realization of the economic strategy of the SED.

Safeguarding this responsibility by the combine director and his leadership cadres demands, among other things, constant control based on legal

requirements over the process of planning and use of the resources allocated to these funds.

This was not carried out in the state combine E. during the period from the second half of 1984 to the beginning of 1985. On the basis of sometimes spontaneous or coincidental managerial decisions and a procurement system under totally inadequate control and coordination, considerable sums were misused from the cultural and social fund, the investment and bonus funds. This represents a disregard for legal requirements and runs counter to the goal of planned continued improvement of working and living conditions for the combine's work collectives. This procedure also cannot be reconciled with the demands for socialist economizing, the exemplary effect of leaders, and the managerial responsibility for the economically most effective use of the funds.

The violations of the law committed by the leadership cadres of the combine E. in the area of planning and use of the funds were the starting point for further illegal acts by subordinate employees, because over-all conditions had been created for disregarding state discipline and negating orderly work processes in the combine.

Individually, the following violations of the law must be listed:

1. Non-observance of basic VO regulations binding for every plant manager on planning, formation and use of the cultural and social fund for state enterprises of 3 June 1982 (GBI I No 24 p 427).

This ordinance in article 2, paragraph 2 clearly establishes the goal of using the resources, and in article 3 details possible uses. Contrary to the requirements spelled out therein, funds were misused for undue purchases which were primarily used in the administrative area, so that a qualitative increase in working and living conditions in the focal plant areas and other plant installations did not take place.

Article 4, paragraph 5 of the ordinance requires that the use of the funds must be planned. This, however, was not done for the amounts spent as of September 1984. According to the findings, apparently there was only one managerial precept: to buy items first and without concept, and to decide on their use at a later time. Such items in particular demonstrate the gravity of the infringements of the law; they confirm that the basic goal of markedly improving working and living conditions of the workers was not of central importance.

The gravity of these violations of the law is also shown by the fact that the executive board of the combine's labor union was not informed, nor was its approval sought about the use of the fund, as required under article 4, paragraph 5 of the ordinance.

Through the over-all illegal dealings with the cultural and social fund, personal legal obligations and thus personal responsibility for control

and accountability according to article 6 of the ordinance were not carried out.

2. Non-observance of the AO legal requirement on planning, formation and use of the bonus fund of state enterprises of 14 April 1983 (GB1 I No 11 p 121).

In principle, the same violations of the law were ascertained in the use of the bonus fund. This proves that the primary concern was to unduly free resources for purchases. Otherwise, they would have acted according to article 4, paragraph 1 of AO and would have planned the use of the bonus fund in accordance with legal precepts. This also constitutes a grave disregard of the right of approval by labor unions according to article 4, paragraph 2 of the order. Even the rejection by the executive board of the combine's labor union of the planned use of the bonus fund, submitted in May 1984, was not a signal for the responsible managers to ensure work according to legal requirements.

3. Disregard of important regulations of the order on financing guidelines for state industry of 14 April 1983 (GB1 I No 11 p 110).

There exists a direct link between the violations of the law in using resources from the cultural and social, as well as the bonus fund, and the decisions taken for the use of planned, but not expended, amounts from the investment fund. Article 16 of the order of 14 April 1983 clearly establishes the tasks for the planning process of the investment fund. Contrary to these binding regulations, in November 1984 and January 1985 it was resolved to adjust an existing basic decision on an investment for improvement of working and living conditions in 1984 without informing, or coordinating it with, the State Bank. Thus conditions were created to "set free" funds from this source, also, for inadmissible purchases.

The deliberate infringement of legal norms is also demonstrated by the fact that the use of the purchased items, intended or eventually carried out, is contrary to article 18 of AO. The purchased items did not agree with the established list of items (article 18, paragraph 2) and in addition, they can hardly be classified as pertaining to working and living conditions. Furthermore, the effectiveness and efficiency of their use elsewhere in the combine is not based on the principles of socialist management. (This is listed in detail)

Through the arbitrary adjustment of the basic decision, important requirements for control of the planned financial means according to article 25 of AO were evaded.

4. Violation of legal regulations to ensure a high degree of order and security in economic processes, particularly the order on purchasing industrial goods needed by the population, and utilization of performances by society's consumers of 1 November 1971 (GB1 II No 77 p 678).

This fact proves that the over-all nature of the purchases in the period from the second half of 1984 to the beginning of 1985 was characterized by a sometimes demonstrative disregard for legality and that egotistic factory interests predominated.

Article 1 of the order of 1 November 1971 establishes a binding limit for the purchase of high-quality industrial consumer goods from the manufacturer, the trade in capital goods, the wholesale and retail trade, but also establishes regulations for exceptions. Nonetheless, this regulation, important for the fulfillment of supply policy tasks, was repeatedly violated with the help of various manipulations. (This is elaborated)

5. Violation of the labor unions' rights to codetermination and approval, clearly determined in article 24 of AGB (general operating conditions).

This is an extremely serious violation of socialist legality, since with the aid of the labor unions' right of approval, a qualified and expert assessment of the situation with regard to the effective use of the funds ensures and guarantees that the workers' interests and concerns are taken into account in these decisions, and that their rights are protected. A basic clarification of these problems was already needed in 1984 when the planned use of the bonus fund had been submitted in May and had been rejected by the labor union.

The extent of the violations of the law and their effects make it necessary that, in addition to dealing with these questions in principle in the combine management and determining measures which will ensure constant and orderly work in planning and use of the aforementioned funds, the personal legal responsibility for the ascertained infringements of the law is resolutely enforced. (This is described in detail)

Annotation:

Because of the fundamental significance of the protest, the public prosecutor general of the GDR informed the minister in charge and demanded that he institute necessary measures in his field of responsibility as well as educational consequences.

Simultaneously with the supervisory action lodged by the bezirk public prosecutor, which was also presented and justified orally in an expanded meeting of the combine leadership, management measures and conclusions for the combine and beyond were established under the responsibility of the minister in charge in order to prevent a repetition of these and similar violations of socialist law, and to ensure that the finances of the aforementioned funds are dealt with according to legal norms; that they are used in the interest of economic tasks and in particular, that they actually serve to improve working and living conditions of the workers and work collectives of the combine.

The serious breaches of duty by the combine director, the chief bookkeeper and two management cadres of the combine were immediately and resolutely

dealt with by the disciplinary authority. Included were the results of the hearings held by the kreis court to enforce material responsibility under the labor law in accordance with article 261, paragraphs 1 and 2 AGB, which the bezirk public prosecutor had asserted on the basis of the claim for damages to which the combine is entitled out of the sanctions imposed by the State Finance Auditing Office.

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END

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East Europe Report

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31 March 1986

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ECONOMY

CZECHOSLOVAKIA

STEGER ENDS PRAGUE TALKS, TRADE PROTOCOL SIGNED

AU061602 Vienna WIENER ZEITUNG in German 4 Mar 86 p 8

[Excerpts] The talks of the fifth session of the Joint Austrian-Czechoslovak Commission for Trade and Economic and Industrial Cooperation, held in Prague under the chairmanship of Vice Chancellor Norbert Steger and CSSR Foreign Trade Minister Bohumil Urban, ended yesterday with the signing of a protocol.

Vice Chancellor Norbert Steger declared that it was clearly evident that the ice in the bilateral relations was broken by the meeting between Presidents Gustav Husak and Rudolf Kirchschlaeger in Bratislava at the end of January.

The CSSR's 1986-1990 5-year plan provides for doubling the investments for modernizing industry and for environmental protection projects. Foreign Trade Minister Bohumil Urban intends to see to it that Austria is given appropriate consideration.

The CSSR is also highly interested in industrial cooperation and regards the current level of cooperation in this field as still unsatisfactory.

In 1985, Austria exported Schillings 3.9 billion worth of goods to the CSSR, as compared with Schillings 3.5 million worth in 1984, while imports from the CSSR totaled Schillings 8.3 billion in 1985, as compared with Schillings 7.9 billion in 1984. Since 1978, the CSSR has succeeded in increasing its exports to Austria by 154 percent, while Austria achieved an increase of its exports to the CSSR by only 10 percent in the same period. Over two-thirds of the Czechoslovak exports to Austria are fuels, power, and raw materials, however. This year, Austria's deficit in trade with the CSSR is expected to decline.

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CZECHOSLOVAKIA

HUSAK VISITS MOSCOW RESEARCH INSTITUTE FOR AUTOMATION

LD052115 Prague Domestic Service in Czech 1780 GMT 5 Mar 86

[Text] The CPCZ delegation to the 27th Congress of the CPSU led by Gustav Husak, general secretary of the CPCZ Central Committee, president of the Republic, this afternoon visited the Moscow Institute for Automation and Telemechanics. The delegation, which also consisted of members of the Party's Central Committee Presidium, Lubomir Strougal, premier of the Federal Government and, Vasil Bilka and Milos Jakes, secretaries of the party's Central Committee, and also Miroslav Zavadil, member of the Central Committee of the party, Czechoslovak Ambassador to the Soviet Union, was accompanied during its visit to the institute by its director, Academician Vadim Trapeznikov.

In a cordial conversation the hosts informed the members of the Czechoslovak delegation about the activities at the Institute and about its main tasks, about the role played by this important research institute for intensifying R&D progress in the Soviet Union. Academician Trapeznikov who is an honorary member of the Czechoslovak Academy of Sciences informed the Czechoslovak guests about the over 45-year-old history of the Institute, which is at the present time working on the fundamental problems of science and processes of systems management at all levels. Among the main thematic areas of its work are the general theory of management, the tasks of control of organizational, biological, medical, economic and robot technology systems. In these and other areas the workers of the Institute are putting forward new progressive solutions which are implemented in planning and construction organizations in development of systems of operation of great importance for the national economy. The results of their work are implemented in many important sectors, for example in nuclear energy and computer technology.

Gustav Husak was particularly interested in the international cooperation of the Institute and its role in the realization of the complex program of scientific and technological progress of CEMA member countries up to the year 2000. In this connection the cooperation between the Moscow Institute, research laboratories and economic production units in Czechoslovakia was highly praised. The Institute has already been successfully cooperating with Czechoslovak partners for a number of years. Czechoslovak-Soviet cooperation is active, for example, in the development of artificial intelligence, in robot technology and specialized computer software. Further joint work

between Czechoslovak and Soviet scientists in the area of parallel computing, planning, automation and analytical modelling of parallel systems and control of robots is expected to bring great results.

The members of the delegation saw an exhibit of the results of the work of the institute. They were particularly interested in a complex for the automation of production processes in the chemical and food industries and a diagnostic machine for precision mechanisms. They also visited the computer center of the Institute. The Czechoslovak guests met with the head of the department for standardization (Pavel Tikhonov) who greeted them on behalf of the workers of the research Institute, participants of the Liberation of Czechoslovakia from fascist occupation.

At the close of the visit Gustav Husak highly praised the creative work and the results achieved by the collective of the Institute in one of the most important areas of scientific and technical progress. He expressed his appreciation by signing the visitors' book.

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ECONOMY

CZECHOSLOVAKIA

DPRK TRADE UNION DELEGATION VISITS PLANTS IN PLZEN

LD101611 Prague Domestic Service in Czech and Slovak 1500 GMT 10 Mar 86

[Text] The General Federation of Korean Trade Unions delegation headed by Chairman Kim Pong-chu, paid a visit during their stay in Plzen to the Skoda Enterprise plants today. The guests acquainted themselves with the history of the Skoda concern, its present production program, its development, and long-term outlook.

They also showed interest in the social amenities the workers are enjoying and in the results of the initiative in the run up to the 17th CPCZ Congress.

At a discussion with workers, representatives of the economic management, party organization, and trade unions of the power engineering plant, Kim Pong-chu paid tribute to the contribution the Czech and Slovak workers and technicians have made in expanding economic cooperation and strengthening relations between the Czechoslovak and Korean people. When characterizing the situation in the DPRK, he singled out its people's endeavor to bring about the unification of Korea and to maintain peace on the Korean peninsula.

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ECONOMY

CZECHOSLOVAKIA

DAILY ON LACK OF PREPARATION AT KRIVROY ROG

AU260520 [Editorial Report] Prague RUDE PRAVO in Czech on 25 February carries on pages 1 and 3 a 1,300-word dispatch from Moscow by Milan Jelinek entitled "Among Czechoslovak Builders in Krivoy Rog; the Deadline in Pushing." The dispatch begins by saying: "Whereas 20 bricklayers will build a house in 1 year, 2,000 bricklayers will not build it in 2 days. Obviously some people think that, in building the extraction and ore dressing combine in Krivoy Rog, we will turn this old builders' truth upside down.

"The limits of human effort always seem out of sight, whereas the limits of technological processes are precisely defined and known," Jelinek continues. "Cement takes 28 days to harden, whether some people like it, or not. We are investing Kcs12 billion in Krivoy Rog; we are thus ensuring the deliveries of iron ore and its concentrate, which will supply our steel mills."

After stating that five CEMA member-states are taking part in this project, Jelinek goes on to say: "The first string of our builders arrived in Krivoy Rog last autumn, before winter set in, and they arrived without proper preparation. Only 4 years are left until 1990, when the project is to be completed; time is running out, and nobody can halt it."

Jelinek then reports on his interview with Grigoriy Suslikov, director of the Krivoy Rog Scientific Research and Design Institute for Ore Enrichment, who is quoted as saying: "We have been talking about the combine these 7 years, but the bilateral contracts with the partners in socialist countries have not been signed to date." Director Suslikov then reportedly stated that the project is not ensured along legislative lines, but that the CSSR enterprises have "dipped into their reserves and gathered what they could; the people there put their heads together and literally jumped into the Krivoy Rog project. Quite a few regulations have been shelved; the people did not listen to doubters and calamity-howlers, who do not believe that such a complicated project can be started before winter sets in." Jelinek goes on to praise the people who have "supremely proved responsible for the task entrusted to them, because the combine must be built, because we need it, and everybody who hesitates is harming our common cause and also the other partners. Any delay merely leads the gigantic project into a knot of problems which it will then be difficult to unravel, and this must not be tolerated."

However, Jelinek continues, "the project has not been ensured along legislative lines on our side and as a result, problems are developing which need not have cropped up but which must be overcome. Since there is no other way and this has been criticized several times at party or trade union meetings, the people are waiting for an explanation. The worst thing is to keep silent or to shrug one's shoulders somewhere far away and silently think: they are sure to cope somehow..." Regardless of this "lack of clarity in certain issues," the most experienced and able builders selected for the project are giving their all to their work; and "toward the end of the year, 1,200 of our working people will be living there," Jelinek states.

"We are transporting many things to Krivoy Rog, actually everything except crushed materials, stonewares, gravel, sand, and cement. The Soviet railroads are overloaded," Jelinek says. He then deals with the working cycle of CSSR employees at Krivoy Rog: 13 weeks at the project site and 3 weeks home in Czechoslovakia with their families. He then says that all food-stuffs are brought by trucks from the CSSR, except meat, which is bought locally and amounts to 450 grams of raw meat per person daily.

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ECONOMY

CZECHOSLOVAKIA

BRIEFS

CONTROL AGENCIES WORK DISCUSSED--Slovak Premier Peter Colotka received today Frantisek Ondrich, the minister chairman of the Federal People's Control Commission. They discussed the conditions and the results of making the work of people's control agencies more effective with special consideration for securing the demanding tasks of economic and social advancement, which is to be adopted by the approaching 17th CPCZ congress. They discussed some topics for increasing the control activity in the management of the state and economic organizations as the inevitable conditions for achieving better results in all spheres of development of our socialist society. [Text] [Prague Domestic Service in Czech and Slovak 1600 GMT 10 Mar 86 LD] /9738

AGREEMENT WITH AFGHAN MINISTER--Prague, 7 Mar (CTK)--An intergovernmental agreement on economic cooperation between Czechoslovakia and Afghanistan was signed here today by Czechoslovak Minister of Fuel and Energy Vlastimil Ehrenberger and Afghan Minister of Mining and Industry Najibollah Masir. The agreement provides for the further development of economic relations mainly in the sphere of mining industry, power engineering, building material and transport. At the same time the two countries' representatives signed a protocol on the 3rd session of the Czechoslovak-Afghan Mixed Commission for Economic, Trade, Scientific and Technical Cooperation held in Prague earlier this week, and an agreement on mutual trade exchange worth Kcs115.5 million crowns this year. [passage indistinct] [Text] [Prague CTK in English 1637 GMT 7 Mar 86 LD] /9738

RETIRING SLOVAK UNION OFFICIAL--The Slovak Trade Union Council discussed in Bratislava today the results of the development of initiative of working people in Slovakia in honor of the 17th CPCZ Congress and the CPSL Congress. The Slovak Trade Union Council has released Ladislav Abraham from the post of its chairman and from other functions in trade union organs because he is retiring. It has elected Ivan Gonko chairman of the Slovak Trade Union Council. Comrade Karel Hoffman stressed the political commitment of Comrade Ladislav Abraham, who for more than 15 years headed the Revolutionary Trade Union Movement in Slovakia. He paid tribute to Abraham's personal contribution to the deepening of the participation of trade unions in the building of an advanced socialist society. [Excerpts] [Prague Domestic Service in Czech and Slovak 1500 GMT 6 Mar 86 LD] /9738

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

RECENT DEVELOPMENT OF DISTRICT HEATING SYSTEM DETAILED

Leipzig ENERGIETECHNIK in German Vol 35 No 7, Jul 85 pp 241-44

[Article by Hans Sandlass, doctor of engineering, Deputy Minister for Coal and Energy, Berlin: "Development of the District Heating Supply in the GDR" (Plenary Lecture Pl given in Dresden on 9 and 10 October 1984 at the 16th Power Plant Technology Colloquium of the Energy Conversion Section of Dresden Technical University)]

[Text] The 35th anniversary of the founding of the GDR was a fitting occasion throughout our country to look back with pride on what has been achieved and to work out new goals. The State of workers and peasants, which in 1949 was given at most one year of existence in imperialist circles, consistently went the way of social progress and safeguarding of peace under the party's leadership.

On the basis of resolutions of the Socialist Unity Party of Germany, the working people of the GDR concentrated all their efforts, through socialist competition, on further strengthening this state and thus establishing the premises for stable economic growth and increased defense for safeguarding peace.

In 1971, the 8th Party Congress of the SED passed resolutions for further evolution of the developed socialist society and for consistently pushing through the unity of economic and social policy. It formulated as a main task the further "increase of the material and cultural standard of living of the people on the basis of a high rate of development of socialist production, increased effectiveness, scientific and technical progress, and growth in productivity per man-hour worked.¹ In carrying out the main task, particular significance is attached to the apartment house construction program as the "core of social policy of the party of the working class."²

The basic requirements from the coal and energy economy which arise in carrying out the main task--particularly the thermal energy supply with regard to the apartment house construction program--were stated by Comrade Mitzinger, Minister for Coal and Energy, as follows:

"The fundamental ways for the further development of the district heating supply in the GDR--with reference to primary emphasis on economic strategy for

the development of the national economy and the tasks set in the directive of the 10th Party Congress--include the following:

- creation of the material prerequisites for meeting the heat requirements for manufacturing and heating purposes on the basis of domestic crude lignite, with simultaneous relief from expensive imported energy carriers, chiefly heating oil;
- still more across-the-board of waste heat, particularly through the use of heat pumps in all areas of the national economy;
- increased use of cogeneration, including the use of heat from large power plants;
- achievement of highly effective heat supply systems, considering and using all regional possibilities;
- further increased efficiency in new construction and restoration of heating and power plants and district heating systems;
- improvement of plant management of heat supply plants through the use of microelectronics, particularly in integrated district heating systems; and
- increased energy economy by improving the insulation of building shells as well as by development and use of better-controlled heat supply systems."³

In essence, these requirements of social development affected district heating supply decisively.

First, the successful implementation of our economic policy and the rapid fulfillment of our apartment house construction program created the conditions for vigorous development of district heating supply in our country.

Whereas in 1949, the year of the GDR's founding, about 30,000 apartments were built, in 1960 the figure was 80,000 apartments, and in the 35th year of the GDR's existence, for the first time more than 200,000 apartments were completed. In all, 3,550,000 apartments were completed in those 35 years, 2,200,000 of them since the 8th Party Congress of the SED.

In 1960, approximately 100,000 apartments were supplied by district heating; this was 1.8 percent of the total number of apartments in existence. In 1984, we supply a little more than 1.2 million apartments with district heat, which corresponds to a share of 18.3 percent of the total number of apartments in existence. In addition, all installations of the infrastructure--7,000 social consumers and more than 2,000 industrial consumers--are supplied with district heat. About 30 percent of our primary energy consumption is used for space heating.

At present, all these consumers are supplied from 173 heating and power plants and industrial power plants, 757 heating plants, about 2,400 kilometers of district heating mains, and a large number of distribution stations and secondary systems.

The further development is characterized by energy consumption growth rates for the population more than double the growth rates of industrial consumers. This expresses the large demands of the long-term apartment house

construction program, through which we shall solve the housing problem by the year 1990.

Besides the extensive development of apartment house construction, inner-city apartment house construction and remodeling will take on considerably more importance. With that, the demand for effective thermal energy supply in this area will go up and new technical solutions will be required. The long-term apartment house construction program in particular gives us an opportunity to work up long-term concepts for the development of energy--and particularly heat--requirements for certain regions.

The significance of these regional energy development concepts in the derivation of definite heat supply measures will not decrease now or in the future.

A second factor has in recent years characterized and change the development of district heating supply in the GDR. This was the objective necessity of using more of one domestic energy carrier, crude lignite.

On 25 January 1980, Comrade Erich Honecker, Secretary General of our party, called for the following: "Oil as a fuel should be replaced by lignite to a greater extent than heretofore. . . . In the shortest period possible, existing fuel oil plants are to be converted by means of extraordinary measures to firing with lignite."⁴ In past years we have made great efforts to replace fuel oil, in particular in heat supply processes. Today we can say that the use of fuel oil for heat supply has essentially ended. It was no easy task to carry out this substitution process in such a short time. Many initiatives and ideas were developed to replace fuel oil directly or indirectly with lignite. Thus, the share of lignite in energy carrier use for heat supply was increased from 46 percent in 1980 to about 60 percent in 1984.

In this way petroleum, a valuable raw material for our national economy, can be used for additional upgrading. When we speak of the need for rapid replacement of fuel oil, the large price difference between fuel oil and lignite should not be forgotten.

Thus, the cost for producing one metric ton of steam from fuel oil in 1984 was, on average, seven times the cost of using domestic lignite.

To find substitutes for fuel oil and other upgraded energy carriers rapidly, an entire series of system and individual solutions were found in a relatively short time, through the good cooperation of various sectors of the GDR's national economy. To be cited here are the standardized heating plant lines with steam generators of 3.2-, 6.5-, 10- and 40-metric-ton-per-hour ratings. About 270 heating plants of these sizes were erected in shorter construction periods than achieved up to now, and were put into operation. Processes which permit the direct use of pulverized fuel lignite in previously oil-fired steam generators with ratings of 0.8 to 12.5 metric tons per hour were developed and applied.

Over and above that, success was had in replacing fuel oil for support and pilot flames in medium- and large-size steam generators with crude lignite dust.

Because it was not possible in this short time to convert all fuel-oil-fired heating generating plants to lignite or to replace them with newly constructed lignite-based plants, the intermediate solution of converting to gas was also carried out.

Here natural gas made available to us from the Soviet Union, fraternally related to us, helped us decisively in carrying out the substitution process rapidly--for instance, in Berlin, capital of the GDR.

Approximately 950 kilometers of national gas lines and about 870 kilometers of gas supply lines were newly installed for the use of gas--for example, a GDR natural gas line from Salzwedel to Schewerin and Rostock. At present we are in the process of relieving the intermediate stage of substituting imported natural gas and city gas for fuel through the use of lignite, in order to use these gases as well in the materials economy.

A third essential main focus of our effort--besides consistently turning to lignite as an energy carrier--is the efficient use of energy. From 1979 to 1983, gross domestic consumption of primary energy was reduced by 2.7 percent, not last as a result of the consistent carrying out of energy-saving measures in heat supply facilities, from the generating plant all the way to the consumer. Examples are pushing through the use of fixed space temperatures and introduction of quotas for the heat received by industry.

Efficient energy use also requires that the secondary energy obtained in a wide variety of processes be put to use as completely as possible. At present the potential considered useful from technical and economic points of view amounts to approximately 10 percent of the primary energy consumption of our country; at present about two thirds of this is used. We will further raise efficiency by the increased use of recuperators, regenerators, and heat pumps. Experience shows that the use of secondary energy requires on average approximately one fifth of the expenditures required for provision of additional primary energy carriers.

In my further exposition I want to say a few words on questions concerning technical structuring of district heating supply in the GDR.

District heating supply has a long tradition with us. The 16th Power Plant Technology Colloquium is being held in Dresden, where in the year 1900 the first heating and power plant in Europe was put into operation; it supplied several consumers, particularly museums, by means of a district heating line.

Whereas in the "pioneer days" of district heating it was chiefly steam systems which supplied increasing numbers of consumers--mainly industrial plants--today hot water systems are clearly predominant.

The development of district heating supply in the GDR is closely connected--as I have already shown--with the historically unique development of apartment house construction.

Thus, extensive district heating systems were built in, for example, the capital Berlin, Dresden, Eisenhuettenstadt, Hoyerswerda, Halle, Schwedt, Rostock, Schwerin, Karl-Marx-Stadt, Jena, and Suhl, to name only a few.

These systems are fed by heating and power plants, heating plants, industrial power plants, and large condensing power plants especially built for this purpose, but also from older generating plants which were reconstructed for the purpose of heat delivery.

The energy advantages of cogeneration are used extensively everywhere that that is possible for us for district heating supply.

To be sure, it is not necessary and also not possible for every district heating system to have its own heating and power plant. Rather, we use existing power plants additionally for heat emission--for example, the Luebbenau, Vetschau, Vockerode, and Finkenheerd powerplants and many others.

The use of large power plants such as Jaenschwalde and Hagenwerder is in the stage of preparation.

In 1983 we entered a new stage by cogenerating heat for the city of Greifswald from the turbines of the "Bruno Leuschner" Nuclear Power Plant.

On the basis of experience gained, we will make further, consistent use of these opportunities in the future as well.

New heating and power plants will not be erected in large numbers for the time being, but we are working on the preparation of an economical variant of cogeneration on the basis of the modular solution with the 40-metric-ton-per-hour steam generator.

In the near future, however, our task will be put back into operation the temporarily shut down (as a result of energy carrier substitution) heating and power turbines with steam generators based on lignite, as put into practice, for example, in the Neubrandenburg Heating and Power Station. For small heat supply districts a range of heating plant modules based on lignite with heat emission ratings from 10 to 150 megawatts is available. With that essentially all needs can be covered.

The most advantageous thermal energy generation variant for each case of application must be worked out with the regional energy supply concept in mind, taking into consideration as well a gradual increase in demand.

Whereas a first individual heat generating plants were sufficient for the supply of a certain area, we have--with increasing size of the supply area--arranged increasingly the transition to integrated systems, mainly in the big cities. We achieve greater supply reliability in that way. Besides,

integrated operation with generating plants using different fuels allows us above all to save upgraded and imported energy carriers by using lignite.

Development of districts heating distribution plants has taken place with noticeable qualitative changes in the past decades. With the exception of industrial supply, steam systems have been displaced by hot water systems.

While initially there were simple hot water systems with flow temperatures of 110 to 130°C, in the following period these temperatures were raised to 150 to 180°C, in order to transfer large quantities of heat with relatively small pipe diameters. These elevated heating system parameters required erection of large heat exchange stations for larger supply areas. These costly heat exchange stations were replaced by the standardized smaller house service connection stations at each consumer's, equipped with both heat exchangers and outdoor-temperature-dependent control.

Today the technical development of our district heating system has progressed so far that we can do without heat conversion even for elevated system parameters under certain conditions, and "direct feed" is possible. For the first time this type of direct feed was carried out successfully in Erfurt.

At this time research work is being carried out which will appreciably extend the area of application of direct feed and thus will make possible considerable cost savings.

Within the framework of a comprehensive research program on the behavior of hot water systems under different operating conditions and extreme conditions, theoretical and practical findings were made. These permit making fuller use of existing district heating system capacity without extensive enlargement. They also allow using higher safety limits while being able to control all possible hydraulic and thermal steady and transient operating modes and ensure operational safety and supply reliability.

In order to be able to balance high peak loads in large integrated systems and to achieve the highest possible electric energy production during peak load periods of electrical demand in heating and power stations, storage installations were fitted into these systems.

Because district heating systems with several feed points, heat storage, and different supply tasks can no longer be controlled manually, control centers were developed and erected; from these, by means of electronic data processing--recently, microelectronics--the supply process is controlled.

In heating systems the development is chiefly characterized by improved construction and assembly techniques. A wide range of low-friction slide bearings is used.

Where at all possible, overhead pipe laying is used. In built-up areas with underground transfer, pipe laying in drains and most recently in main drains is prevalent.

Looking at pipe-laying techniques of large district heating transit lines, we observe that new standards were set with the installation of the Lubmin-Greifswald 2 xDN 800, 23-kilometer-long district heating transit line. This pipeline was put into operation after a 15-month construction period, including only 7 months' assembly time. The experience obtained here, in particular because of the extensive use of prefabrication, should be used for additional installations. This is so because we must assume in the future that heat-generating plants will no longer be located in the immediate vicinity of the consumer, but at a greater distance.

We have made good progress in recent years in matters concerning the operating regime of district heating systems. Approximately 80 percent of the consumer plants are equipped with outdoor-temperature-dependent control and thus have the basic requirements for efficient energy use. The consumer plants which are not yet controllable are at present operated in accordance with a heating range diagram, which assures adherence to the established space temperatures.

To prepare heat supply plants for winter requirements, summer repairs are prepared and carried out on the basis of weak point and malfunction analyses. The annual "week of heating readiness," immediately before the beginning of the heating season, provides certainty that supply according to plan is ensured during the winter months.

We are devoting much attention to environmental protection. Our heat generating plants are operated with fossil fuels and emit harmful substances, chiefly SO_2 . The task has been set of decisively lowering the emission of harmful substances in the next few years in the GDR.

Dr. Hans Reichelt, deputy chairman of the GDR Council of Ministers and Minister for Environmental Protection and Water Management, clarified our country's position on these questions on the occasion of the Environmental Protection Conference in Munich, FRG.

Through our farsighted environment policy, since the beginning of the 1970's we have maintained SO_2 emissions at the same level while attaining an 80-percent increase in our country's industrial production.

Our further measures foresee a 30-percent reduction in sulfur dioxide emissions in the GDR.

In the energy supply area of responsibility, major efforts are being made at present to reduce the discharge of harmful substances.

Worldwide, approximately 200 processes for flue gas desulfurization have been developed. Approximately 30 of these have been applied, but only a few could be accepted commercially. In the GDR the limestone addition process was specially developed for combustion of lignite. It is available as a technology ready for use, successfully tested commercially in several power plants, with a degree of desulfurization of 50 percent with the addition of 10 percent of additive.

A substantial advantage of this process is that due to the reduction of the dew point it is possible to recover approximately 5 to 7 percent additional heat. To accelerate introduction of this process, it will be used for the moment in the sphere of district heating supply as a prototype solution in three new construction articles with boiler plants of different ratings.

Besides the limestone additive process, additional measures for reducing sulfur dioxide emissions are being used or developed.

Included here as well is fluid bed combustion developed by the steam generation fabricator industry for boilers of different ratings.

What are the requirements to be satisfied by heat supply in the next few years?

1. Efficient use of energy is to be carried out still more intensively than heretofore in heat processes. This holds true for generating plants, distribution facilities, and particularly for consumer. In generating plants the degree of transformation must be improved. This requires, for example, that the boiler plants not be designed for a "standard fuel" with narrowly bounded parameters, because such a standard fuel does not exist. Boiler plants must achieve optimum efficiencies for a wide range of fuels.

Thermal energy consumers in our district heating systems are predominantly apartment houses and office buildings. Now, as before, the task set is to reduce the specific heat requirement, which at present is 6.2 kilowatts per apartment unit, by at least 20 percent. For this it is necessary to improve the insulating properties of apartment house designs, to optimize the heating systems, and by combinations of space temperature control to satisfy the demands of tenants as well as the requirements of efficient energy use.

It is necessary to use waste heat increasingly for local purposes and to use low temperature heating systems as has, for example, been done or provided for in Oranienburg, Grossraeschen and Hoyerswerda.

The use of heat pumps for smaller residential areas is to be assigned more importance, following the example of the heat pump stations in Dresden.

2. Crude lignite is to be used directly to a greater extent. For that, upgrade or high-grade energy carriers such as city gas, lignite briquettes and natural gas at present still used in heat generating plants are to be replaced by lignite. In this the entire range of conversion solutions, taking into account characteristic features of the site, is to be made use of, and if necessary further solutions are to be developed to sufficient maturity to be put into practice.

The accumulated ashes are to be used industrially to a considerably larger extent than up to now. The present degree of utilization of approximately 50 percent is decidedly too low.

3. The oil-fired heat generating plants which are shut down in the process of substitution for fuel oil are to be further used. Possibilities must be found to convert these plants to operation with domestic fuels for use as peak shaving plants. An example is at present under preparation in the Jena-Sued Heating and Power Plant.

4. Cogeneration is to be expanded in accordance with actual possibilities. Here, existing power plants, particularly future nuclear power plants but also newly-to-be-developed smaller heating and power plants, are to be used.

5. The assumption is to be made that in the future heat generating plants will be put up at a greater distance from consumer agglomerations.

Transport distances of 20 to 30 kilometers and possibly more will have to be bridged. This assumes less expensive and more effective transit lines with short construction periods. The construction periods achieved at Greifswald can only be considered to be a beginning and are to be reduced further.

6. Current research on the extension of limits for using direct feed is to be completed at an increased pace.

7. The problems of thermal energy storage are to be assigned greater significance. Computer-supported operation is to be carried out to a greater degree with the use of microelectronics.

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

LOCAL, INDUSTRIAL HEAT SUPPLY MORE EFFECTIVELY COMBINED

Leipzig ENERGIETECHNIK in German Vol 35 No 7, Jul 85 pp 245-6

[Article by Werner Singula, Dresden¹: "Increased Effectiveness of Heat Supply in the Coordinated Coverage of Local and Industrial Heat Demand." Manuscript received 25 April 1985.]

[Text] In further securing the energy basis of the national economy of the GDR, intensively expanded reconstruction becomes a decisive factor in the long term.

The energy economy is highly capital-intensive. This capital equipment represents a potential which must be used more effectively.

A large part of local and industrial heat supply is tied up in capital equipment. In the local sphere of the year, and in the remaining period only to the extent of 10 to 15 percent of installed capacity.

In the majority of cases, industrial process heat requirements tie up dedicated heat generating plants 2,000 to 4,000 service-hours per year.

In the past, boiler plants were generally designed for the required steam generating capacity, and only in exceptional cases for the required energy parameters of heat demand.

Prospects are that work should be done to increase considerably the qualitative and quantitative degree of utilization of both existing and newly constructed plants and capacities.

Besides the more effective use of existing capacities, there is a need for including domestic fuel and raw materials resources to a greater extent, so as to reduce specific primary energy use, lower conversion losses to a minimum, and raise the contribution of investments for the development of efficiency and effectiveness.

The service age distribution and future replacement needs of considerable steam generating capacity in the GDR's industrial conurbations require preparation for economically effective decisions on satisfying heat demand in these areas.

Additionally, longer-term considerations are required; these start from the assumption of more effective use of existing heat-generating, heat-distributing, and standby capacity, take into account the targeted completion and the extension of secondary distribution systems now in existence and regionally limited, and lead to prospective integration of nuclear heat generators, particularly for heat supply of industrial conurbations.

Assuming as an aim an economically optimum heat supply, that is, the ready availability of heat at the location or, as the case may be, the main focus of demand at a time, and of a quality and in a quantity in accordance with demand--with simultaneous reduction of standby equipment losses and primary energy use to minimum values--concepts were developed for an actual industrial conurbation and an attempt at generalization was made.[1,2]

The possible solution variant presented in the above references comprises the building up of an integrated heat supply for the industrial, local and other sectors in an industrial conurbation with extensive utilization of the possibilities of cogeneration and heat storage.

Especially included in the investigation were those industrial consumers whose heat demand is met by as much base load as possible.

Therefore, a point of concentration of the big chemical industry was selected in choosing a conurbation for the model case.

The qualitative and quantitative parameters of heat demand make it necessary to use steam as the energy carrier. The service age distribution of the existing concentration of steam generating capacity accounts for the need to prepare decisions with a view to securing the heat supply in the future.

For the moment, increased use is to be made of existing capacities by integrating heat output of productive crude lignite steam generators. This is to make possible the reduction of newly constructed capacity to only a few sites and to ensure high effectiveness of the investment committed.

Replacement of old plants by a central nuclear generating system occurs at the time of required replacement of the bulk of fossil [fuel-fired] steam generators.

This time is now seen to be after the year 2000.

For nuclear heat emission it is planned to cogenerate with electric energy. The district steam produced is transported by a transit line to the centers of heat demand in the conurbation.

There it is to be expanded in satellite turbines to the demand parameters of affiliated consumers or consumer groups. Adaptation of the course of variation of the daily load to the particular heat demand is accomplished through heat storage.

The temperature drop not required for heat supply can be used to generate electric energy.

Thereby, heat processes in the high-temperature range which cannot be reached with district steam are included through electric energy generated at the place of use.

Electric transmission losses in the national grid drop out for this demand component.

At the same time, a requirement of efficient energy use is fulfilled in selecting the degree of upgrading of consumer energy carriers as much as possible adequate for their intended use. For heat demand in the area of lower [quality] energy demand parameters, for example, for local heat supply, this is taken into account by making heat available as hot water, which is more effective for the national economy.²

In investigations of making heat available in the conurbation, it was found that for integrated heat on a fossil fuel basis, a heat demand of an order of magnitude of 2,000 megawatts had to be satisfied.

For the time when nuclear heat is available, a value of 5,000 megawatts is estimated as a requirement for the generating system.

Inclusion of the time-dependent heat demand of consumers to be supplied in the conurbation yields a combined course of seasonal load whose minimum value is approximately 70 percent of the above-mentioned maximum load.

Investigation of the boundary conditions and requirements of standby heat by means of an actual model case for a selected heat demand center in a conurbation shows that the generating system, the transit pipeline and the satellite turbine can be run throughout the day in a continuous base load mode. It also shows that adaptation to the course of the season-dependent load of the summary heat demand is associated with load change velocities which can be satisfactorily controlled as well through nuclear generating systems.

Adaptation of the heat supply to the course of the daily industrial load can be achieved by means of extract steam from the satellite turbine through heat storage. The storage sizes required here are in the range of dimensions customary at present. The share of the industrial heat demand is 57 percent for the center of demand and is divided into three main parameter groups.

Extensive hot-water system storage is proposed for adaptation of the course of the daily load of local and other consumers.

Through utilization of the temperature drop not needed for heat supply in the satellite turbine in the phase of heat integration on a fossil basis, an electric capacity of a maximum of 60 percent and a minimum of 40 percent of the currently installed electric capacity can be generated in this center of

demand of the conurbation; for the final expansion of nuclear heat supply, the corresponding figures are 100 percent and 60 percent, respectively.

Closely connected with the question of whether this model of heat supply can be put into effect--it assumes a high effectiveness of the capital used³, a high degree of primary energy utilization and a reduction of energy conversion and consumer adaptation losses to a minimum--is the question of generalizability and potential application frequency for the heat supply in conurbations of the GDR.

The basic characteristic of the model case is in the use of steam as the energy carrier for heat standby use.

Corresponding qualitative and quantitative demand conditions are therefore a necessary premise.⁴

In the model case, on the basis of actual data, it is possible to assume the base load mode of operation of the integrated heat system all the way to the statellite turbine. Deviation from these facts results, besides the reduction of the effectiveness-determining factors referred to, in the complication of the operating regime and in increased expenditures for the necessary control technology required to ensure adherence to the qualitative parameters of extract steam.

Taking into consideration the heat demand structure and its regional subdivision in the GDR's large industrial conurbations, it is realized that industrial process heat demand up into the intermediate temperature range with a distinctively broad base-load characteristic is noted only at big concentrations of the chemical industry. In this, the parameter requirements are in the area of those used in the model.⁵

Often a demand for process heat occurs at separate locations of a conurbation which approaches the exergy parameters of use designated in the model, for example, in the textile or rubber industry or in baking processes.

The comparatively small heat demand needed, its load course and its regional subdivision do not, however, for the achievable overall fuller use of capacity justify model analog concepts from the viewpoint of specific investment for standby heat, parameter adaptation and balancing the load course.

Additional border-case investigations on the possible increase in the portion of local heat demand are irrelevant in the analysis of the example investigated, because the portion used in the model case cannot, in view of the existing practical cases of application, be significantly increased.

Conditions other than the industrial heat demand conditions shown are not relevant from the viewpoint of demand parameters and the parameters of the related required energy carriers.

In summary, it can be established that the model presented allows an effective solution, from the standpoint of the national economy, under entirely actual specific conditons.

These exist in the GDR for key locations of the chemical heavy industry and adjoining conurbations. This results in a material limitation of the potential frequency of application.

The possible cases of application refer, nevertheless, to the greatest regional concentration of the existing heat demand of the GDR and to the need of its present and future satisfaction.

FOOTNOTES

1. Diplomated Engineer Werner Singula, at the time of completion [of this article] at the Technical University of Dresden.
2. The existing hot water secondary distribution systems are used for this.
3. In particular also the portion for local heat supply.
4. This concerns the exergy parameters of the heat required and its course of load.
5. Further examples are given in [2].

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ECONOMY

POLAND

SEJM DISCUSSES FINANCIAL, HOUSING ISSUES

LD171720 Warsaw Domestic Service in Polish 1500 GMT 17 Mar 86

[Report by Parliamentary Correspondent]

[Text] Good morning. Before noon the deputies discussed the main foreign trade issues for this year, and in perspective until 1990.

In the afternoon financial and housing matters were discussed, there will be some figures in this report, but I think that they will show the scale of the undertaking. The government bill on enterprise welfare and housing funds in socialized economic units was presented in the first reading by Stanislaw Gebala, minister of labor, wages and social affairs. The passing of the bill, he said, will make possible progress in meeting the welfare and cultural needs of the workforce through increased allocations for these funds. It will contribute to easing unjustified disproportion in providing work enterprises with means for welfare tasks, and at the same time, it will improve the principles of managing these funds.

The bill changes the method for creating basic allocations for these funds, setting them in relation to average monthly wages in socialized economic units in the previous year. The basic allocation for the welfare fund would be 25 percent of basic wage, and for the housing fund 12.5 percent per employee. This means a considerable increase in basic allocations, in particular in enterprises and cooperatives, from the present 2,700 zlotys to about 5,000 zlotys for welfare fund; and from 1,350 zlotys to 2,500 zlotys for housing funds. As far as fund management is concerned, it is suggested that it be clearly stated that they are the funds of collective consumption, meaning in practice that they cannot be spent in the form of money payments.

Fifteen minutes ago the debate on the subject was started by Deputy Andrzej Galeziowski.

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CSO: 2600/310

ECONOMY

POLAND

WOJICK PRESENTS FOREIGN TRADE REPORT TO SEJM

LD171646 Warsaw PAP in English 1515 GMT 17 Mar 86

[Text] Warsaw, 17 Mar--Referring to the Sejm (parliament) debate, Deputy Speaker of the Parliament Mieczyslaw F. Rakowski, stressed that Poland's economic potential provides all conditions it needs to become a counting partner in the world. But still, Poland's present share in foreign trade does not correspond with these possibilities. The main task in foreign trade for the years 1986-90 is to increase exports and reconcile the necessity of servicing the foreign debt with providing financial means for imports which are indispensable for the country's development. We expect the coordinate [as received] and sweeping restructuring of our economy to create conditions for reaching this objective, Rakowski said.

Rakowski also emphasized the special attention Poland attached to trade relations with socialist countries and to economic cooperation with the Soviet Union. He pointed to the need of developing trade and economic contacts with developing countries. Difficulties which stem from protectionist trends and destructive moves by some capitalist states force Poland to expand its export offer. Higher exports to those states are crucial for us, Rakowski told the deputies.

This year the positive trade balance with capitalist states should exceed 1.5 billion dollars. Our capabilities to increase exports to those countries are currently estimated to be 3.5 to 4.8 percent annually on average (in constant prices). The necessary increase in imports is estimated to be 3.7 percent annually.

Minister Wojcik noted that in relations with highly developed capitalist states one should not envisage fast and positive changes. Access to these markets can still be obstructed as a result of the effects of restrictions and protectionist barriers especially in relation to our industrial goods. The key condition for reviving economic cooperation and foreign trade with those states is the elimination of elements of political pressure on Poland from the policies of the United States and some NATO-member states and readiness on the part of these partners to cooperate with Poland to further restructure our debt in the form of new credits as well as accepting Poland to the international monetary fund, stated the minister.

The speaker noted that opportunities for a more dynamic development of cooperation with developing states were restricted in the case of many countries of that group by the economic difficulties and economic burdens arising from large debts. Poland will however still seek ways to reviving cooperation with them, he added.

Next Minister Wojcik presented activities and goals aimed at increasing Poland's participation in the international labor division. He stated that Poland's export offer will still not suffice in comparison with existing possibilities.

Further reconstruction of cooperational ties between Polish producers and their western partners is also indispensable. The bill on companies with foreign capital currently being reviewed by the SEJM could constitute a new framework for such cooperation, he said.

The minister pointed out to the SEJM that according to the Main Statistical Office (GUS) only about 3.2 thousand enterprises out of a total of about 14 thousand enterprises active in the sphere of material production in 1985 participated directly in exports.

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CSO: 2020/97

ECONOMY

POLAND

DEPARTMENT CHIEF ON FOOD, WINE SUPPLIES FOR EASTER

LD111505 Warsaw Domestic Service in Polish 1105 GMT 11 Mar 86

[Interview with Marcin Duszynski, director of the Food and Nutrition Department, by unidentified correspondent in Warsaw on 11 March]

[Text] [Announcer] Two hours ago a press conference on the Easter supply situation was held at the Ministry of Domestic Trade and Services. Marcin Duszynski, director of the Department of Food and Nutrition, is at the microphone:

[Correspondent] Our tables will not be groaning under the burden of food?

[Duszynski] In that period the supply will depend to a great extent on the initiative of each housewife, but I believe it will be at quite a decent level. Maybe tables will not groan, but there should be no shortage.

[Correspondent] What about rationed meat?

[Duszynski] A certain surplus has occurred in procurement, and the Ministry of Agriculture has offered us additional deliveries. This will be used in the first part of the month. There is some additional beef with bone.

[Correspondent] We will eat 2 kg immediately.

[Duszynski] I don't think so; there will be 2.5 kg, and the ration card will be left for a more popular assortment of meat in this period.

[Correspondent] Will there be more ham, boiled ham, and tenderloin?

[Duszynski] Yes, there will be more in terms of quantity, which in the present rationing system will meet the demand.

[Correspondent] Fish has completely disappeared from the market; there are only tins.

[Duszynski] The Office of Maritime Economy has provided the trade with less fish than was stipulated in the annual plan. This is because of stormy weather in the Baltic, which kept our fishing fleet in port for a very long time.

[Correspondent] But there is no carp, and that does not live in the Baltic.

[Duszyński] A certain quantity of freshwater fish, including carp, is available and will be on sale.

[Correspondent] Will there be herring for easter?

[Duszyński] Yes, but not enough for everyone.

[Correspondent] Will we be able to buy oranges for the children before Easter?

[Duszyński] There are cargos of Cuban oranges. One ship is being unloaded in Szczecin now.

[Correspondent] Is there a chance of a hunt for lemons before Easter?

[Duszyński] Probably not, although we have contracted for lemons in Italy and Greece, but it seems that these will not appear before Easter. However, the situation in imported goods is not bad. There will definitely be more wine than there was last year.

[Correspondent] Bottled at home?

[Duszyński] Yes, and also bottled by the producers.

[Correspondent] It is a pity that we do bottling ourselves. The wine loses much of its quality.

[Duszyński] The difference in price is considerable between bottled and bulk wine, so we cannot afford all bottled wine.

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CSO: 2600/310

31 March 1986

ECONOMY

POLAND

AUSTRIA TO FINANCE HOTELS, OTHER PROJECTS

AUL32143 Vienna DIE PRESSE in German 12 Mar 86 p 1

[Special DIE PRESSE report by "Ho"]

[Text] Vienna--Since Poland has high debts, Austria will finance several construction projects in this country over the next few years. The projects remain the property of the construction firms and are rented to Poland. As Jozef M. Stankiewicz, trade counsellor of the Polish embassy in Vienna, said yesterday during a talk with journalists in Vienna, a skeleton agreement for 10 hotels at a value of \$200 million, that is, 3 billion schillings, has already been concluded. For two hotels in Warsaw fixed orders have been placed. In addition, an Austrian company is negotiating about the construction of a new airport building in Warsaw and a skiing center in the Polish mountains.

Austrian exports to Poland--which are mainly paid for in cash--greatly increased last year. Imports consist mainly of electricity and coal. Now Poland is urging Austria to grant new loans because this is expected to provide further stimuli to trade.

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CSO: 2300/257

ECONOMY

POLAND

BRIEFS

DELEGATION VISITS FOR ECONOMIC TALKS--VPAP--On 23-27 February a delegation of the MSZMP Central Committee led by Laszlo Ballai, head of the Central Committee Economic Department, visited Poland. It had talks with Marex Holdakowski, head of the PZPR Economic Department, and with Stefan Zawodzinski, director of the Agriculture and Food Department. They also met with Vice Premiers Manfred Gorywoda and Jozef Koziol and had talks in the Ministry of Finance and the Polish National Bank. In Poznan the delegation studied the work of the voivodship party echelon and the implementation of economic tasks in the Cegielski plant. It also toured the Objezierze and Zydowo state farms. During their talks the sides exchanged information on socioeconomic development in their countries and on the key issues of the economic strategies and policies of their parties. They also exchanged views on economic tasks, presented their experience of economic reform, and stressed the crucial role of economic reform mechanisms in solving socioeconomic problems. The sides noted the importance of their mutual interparty contacts for intensifying their comprehensive cooperation and discussed ways to develop these contacts. The MSZMP delegation was told of preparations for the 10th PZPR Congress. Laszlo Baillai was received by Marian Wozniak, PZPR Politburo member and Central Committee secretary. Gyorgy Biczó, Hungarian ambassador in Warsaw, was present. [Text] [Warsaw TRYBUNA LUDU in Polish 28 Feb 86 p 5 AU] /12712

SCIENCE ACCORD WITH GDR--A revised agreement about cooperation between the Polish and GDR Academies of Science was signed in Warsaw today. It is stressed therein that scientific contacts will be widened in accordance with the principles of the comprehensive program of scientific-technical progress of the CEMA countries to the year 2000. Research programs important to the development of both countries and serving the needs of the economy will be undertaken together. [Text] [Warsaw Domestic Service in Polish 1900 GMT 12 Mar 86 LD] /9738

JOINT YUGOSLAV PROTOCOL--The 27th session of the Polish-Yugoslav Mixed Commission for Scientific and Technical Cooperation was held from 10 to 14 March. At the end of the session, a protocol was signed on scientific and technical cooperation for 1986-90. On the Yugoslav side the protocol was signed by Dr Tomislav (Hrabac) and on the Polish side by Deputy Minister of Science and Higher Education Professor Tadeusz Beldowski. Great importance is being attached in the protocol to scientific and technical cooperation in mining, power, engineering, and steel industries. [Text] [Warsaw Television Service in Polish 1620 GMT 14 Mar 86 LD] /9738

31 March 1986

POLISH-ARGENTINE TRADE--Dante Caputo, the Argentine foreign minister, and Jan Janiszewski, the Polish ambassador in Buenos Aires, have exchanged documents ratifying the agreement on mining cooperation between the governments of the two states. For over 35 years, Argentina has been the most significant importer of Polish coal among the Latin American countries. Poland also exports machinery and equipment to the Argentine mining industry. [Text] [Warsaw Domestic Service in Polish 1500 GMT 14 Mar 86 LD] /9738

CSO: 2600/310

31 March 1986

ECONOMY

YUGOSLAVIA

REAL INCOMES IN YUGOSLAVIA INCREASE

AUL31435 Belgrade BORBA in Serbo-Croatian 8-9 Mar 86 p 1

[Text] Belgrade, 7 Mar (TANJUG)--The average monthly net personal income of a worker in Yugoslavia last year was 40,661 dinars. According to the latest figures issued by the Federal Institute for Statistics, incomes last year were in real terms higher by 2.8 percent than those in 1984. This represents a nominal increase of 78.3 [as published] percent.

According to the data, the highest incomes were earned in Slovenia, 54,967 dinars per month, and the lowest in Macedonia, 29,613 per month. The average net personal incomes in Bosnia and Hercegovina were 36,942 dinars, in Montenegro 32,322 dinars, in Croatia 43,395 dinars, in Serbia 37,971 dinars, in Kosovo 31,242 dinars, and in Vojvodina 39,612 dinars.

Real personal incomes have been increased in all republics and provinces except Macedonia and Vojvodina. The increase in Slovenia amounted to 10.4 percent, in Bosnia and Hercegovina 0.9 percent, in Montenegro 2.4 percent, in Croatia 0.5 percent, in Serbia proper 3.8 percent, and in Kosovo 3.3 percent. The real net personal incomes in Macedonia decreased by 3.6 percent and in Vojvodina by 2.9 percent.

Real personal incomes in the noneconomic sector were higher last year than those in the economic sector and were on average 44,015 dinars per month. The average for economic sector was 40,025 dinars per month. The average for economic sector was 40,025 dinars. The real increase in the economic sector was 2.5 percent while that of the noneconomic sector was 3.8 percent.

The differences in various spheres of activity continue to exist. Those working in the financial services sector were earning on average 52,016 dinars per month and those working in sociopolitical communities and organizations were earning 46,062 dinars per month. The average net income in the building industry was 34,906 dinars per month, in catering and tourism 36,584 dinars, in the housing and public services sector 38,298 dinars, and in industry and mining 39,952 dinars per month.

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POLITICS

BULGARIA

COMMISSION ADOPTS DECISION ON LABOR CODE

AU132054 Sofia RABOTNICHESKO DELO in Bulgarian 22 Feb 86 p 1, 2

[Excerpts] A session of the Party and Government Commission to draw up a draft for a new Labor Code was held at one of the halls of the Party House yesterday.

The session was opened and chaired by Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council.

The participants in the session of the Party and Government Commission pointed out that it has become necessary to revise the draft of the labor Code to make it fully adequate to the exceptionally important tasks assigned by the February 1985 and January 1986 plenums of the BCP Central Committee.

The following characteristic features of the new Labor Code were pointed out at the session: unity, stability, and flexibility in the regulation of labor relations based on the law, which was set forth in a sufficiently clear and generally accessible form. The document harmoniously combines the rights and duties of the participants in working relations; the development of labor democracy is combined with the principle of one-man command. An important characteristic feature of the draft is that it systematically and consistently reflects basic ideas on the development of labor democracy, and in particular, direct labor democracy, for the consolidation of self-government in socialist organizations. These basic ideas are contained in the decisions of the 12th BPC Congress, in the party concept for the new Labor Code, as well as in the decisions of the January 1986 plenum of the BCP Central Committee. Such consolidation is feasible by expanding the rights of the workers collectives, the rights of the collective organs of administration, and the rights of the individual workers. Precisely these political ideas determine our present and future development, and they were laid down in the Draft Code in a legal form.

It was stressed at the session held yesterday that a deed of innovation was accomplished, that the difficult problems were mastered as regards labor relations, that the difficult problems were mastered as regards labor relations, which are now based on a legal regulation in conformity with the party concept about building mature socialism. All this became possible, thanks to the rich theoretical and practical experience accumulated by the BCP.

It was also stressed at the aforementioned session that the draft for the new Labor Code creates incentives for every member of society, enabling him to work even more efficiently for the sake of the common benefit; that the new code consolidates, with the strength of law, the role of the workers collective as the master of socialist property; that it maps out direct democracy as the core of democracy; that it guarantees even more humanitarian labor relations and opens vast prospects for the initiative of the working people in implementing scientific-technological revolution.

All this justified the statements of the speakers in defining the role of the new Labor Code as an achievement of socialist legislation, as a great success of the party and people, as a guarantee for the future ascending development of the country. The participants in the session expressed their full approval and unanimous support for the draft.

Comrade Todor Zhivkov made a closing statement. On behalf of the Party and Government Commission he expressed gratitude to all who participated in the preparation of the new Labor Code draft. He pointed out that, with its solid theoretical and practical political basis, the document will play a tremendously important role in our country's further development in mobilizing millions of people to build the developed socialist society in the People's Republic of Bulgaria.

The following decision was unanimously adopted:

1. The Party and Government Commission adopts the draft for the new Labor Code.
2. The draft for the new Labor Code must be submitted for discussion and adoption to the National Assembly at its session preceding the 13th BCP Congress.
3. The draft for the new Labor Code will be submitted to the National Assembly jointly by the State Council of the People's Republic of Bulgaria and by the Bulgarian Trade Unions Central Council.

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POLITICS

BULGARIA

OKRUG BCP ELECTION CONFERENCE REPORTED

AU051517 [Editorial Report] Sofia RABOTNICHESKO DELO in Bulgarian on 27 February 1986 carries on page 8, under the heading "Okrug Party Conferences. A Creative, In-depth Assessment," four reports, each of approximately 300 words, on the accountability-election conferences of the okrug BCP organizations held on 26 February in Pleven, Razgrad, Vidin and Smolyan. Each of the four reports carries the dateline of the respective town followed by "26 February (RABOTNICHESKO DELO correspondent)."

The Pleven report states: "The 26th okrug accountability-election conference was held today. Pencho Kubadinski, member of the BPC Central Committee Politburo and chairman of the Fatherland Front National Council, took part in the conference." After giving a summary of the report delivered by Stefan Ninov, first secretary of the Pleven Okrug BCP Committee, the account continues: "In his speech, Comrade Pencho Kubadinski gave a high assessment to what had been done by the Pleven Communists during the years of the Eighth 5-Year Plan. He noted that the okrug holds leading positions with respect to a number of indices in the development of industry and agriculture, and also dwelt on certain unsolved tasks and problems. The report ends: Stefan Pinov was reelected first secretary of the okrug BCP Committee. Vasil Lisichkov, Georgi Gatev, Evdokiya Petkova, Evtim Petkov, and Petko Tsolov were elected as secretaries. Slavko Nikolov was elected chairman of the okrug BCP Control-Auditing Commission."

The Razgrad Okrug BCP Conference report states: "Dimitur Stoyanov, candidate member of the BCP Central Committee Politburo and minister of internal affairs, took part in the work of the conference." Both in the accountability report of Anastasiy Donchev, first secretary of the okrug BCP Committee, and in the delegates' speeches "the results of the development of the okrug were subjected to a critical, in-depth analysis." The report notes that "in his speech Comrade Dimitur Stoyanov voiced the BCP Central Committee's high assessment of the vast creative and innovative work of the okrug BCP organization." The report concludes: "Anastasiy Donchev was reelected first secretary of the okrug BCP Committee. Boris Anastasov, Tsonyo Markov, Kiril Gegov, Vasil Vlasov, and Yuliya Pirinska were elected as secretaries. Velchkov Bobev was elected chairman of the okrug BCP Control-Auditing Commission."

The report of the Vidin Okrug BCP Conference states that it was attended by Vasil Tsanov, secretary of the BCP Central Committee. It notes that Geno Toshkov, first secretary of the okrug BCP Committee, states in his report that

the okrug fulfilled its 5-year-plan ahead of schedule." In the account of Vasil Tsnaov's speech it is noted that he "gave a positive assessment to the activity of the okrug BCP organization." The report ends: "Geno Toshkov was relected first secretary of the okrug BCP committee. Viktor Vitkov, Boris Mateev, Mitko Todorov, and Krum Belchin were elected okrug committee secretaries. Tosho Petkov was relected as chairman of the okrug BCP Control-Auditing Commission."

The report from Smolyan of the 13th Accountability-Election Conference of the Smolyan Okrug BCP Organization states that it was attended by Peko Tako, deputy chairman of the State Council of the People's Republic of Bulgaria. It is mentioned that in his report Atanasov, first secretary of the okrug BCP Committee, referred to "positive changes in the structure of industry" in the okrug, noting that "the basic production funds have increased by 251 million leva." The report finally notes: "At its plenum the okrug BCP Committee reelected Atanas Atanasov as first secretary. Vasil Rosenov, Nikola Kuchmov, Todor Gochev, and Todor Pechilkov were elected as secretaries. Georgi Georgiev was elected as chairman on the okrug BCP Control-Auditing Commission."

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POLITICS

BULGARIA

LOCAL BCP ACCOUNTABILITY-ELECTION CONFERENCES

AU141629 [Editorial Report] Sofia RABOTNICHESKO DELO in Bulgarian on 2 March 1986 carries on page 2 a 600-word report by the paper's unnamed local correspondents on the accountability-election conferences of the Varna and Pernik okrugs held on 1 March 1986.

The 13th Accountability-Election Conference of the Varna Okrug BCP Organization was attended by Ognyan Doynov, member of the BCP Central Committee Politburo, secretary of the Central Committee, and deputy chairman of the Council of Ministers, as well as chairman of the Economic Council. He spoke on the okrug's economic upsurge and "concentrated in particular on certain problems connected with the further development of the Devnya economic chemical combine and with issues concerning the development of the 'Georgi Dimitrov' shipbuilding plant."

Dimitur Popov was re-elected to the post of first secretary of the Varna Okrug BCP Committee. Genoveva Mikhova, Dimitur Dimitrov, Dimitur Zlatev, Yosif Bordzhiev, and Lyudmil Banev were elected secretaries. Danko Avramov was re-elected to the post of chairman of the BCP Okrug Control-Auditing Commission.

Chudomir Aleksandrov, member of the BCP Central Committee Politburo and secretary of the BCP Central Committee, attended the 13th Accountability-Election Conference of the Pernik Okrug BCP Organization. "In his speech Comrade Chudomir Aleksandrov expressed his positive evaluation of the efforts of the Okrug BCP organization as well as his approval of the style and correct approach prevailing in the work of the conference. In the light of the decisions of the February 1985 and January 1986 plenums of the BCP Central Committee, he mapped out the responsible tasks asking the communists for accelerated development, and pointed out the necessity of an April-like foresight and creative approach, of steadfastness and consistency in working under the conditions of the contemporary scientific-technical revolution."

Khristo Bonin was re-elected to the post of first secretary of the Pernik Okrug BCP Committee. Stoyne Radoychev, Dimitur Filipov, Petur Borchev, Stanka Rudarska, and Aleksandur Mikhaylov were elected secretaries. Maria Milenova was elected chairman of the Pernik Okrug BCP Control-Auditing Commission.

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POLITICS

BULGARIA

SOFIA RADIO RELAYS ZHIVKOV RETURN TO SOFIA

AU061536 [Editorial Report] Sofia Domestic Service in Bulgarian at 1510 GMT on 6 March begins a live relay from Sofia airport of the arrival of the Bulgarian delegation to the 27th CPSU Congress, led by Todor Zhivkov, general secretary of the BCP Central Committee and State Council chairman.

Svobodin Lambrev, Sofia radio announcer, reports that the airplane has already landed, and describes Zhivkov's visit to the USSR, enumerating his visits to various Soviet enterprises and meeting with Mikhail Gorbachev, "a meeting at which the two leaders have paid special attention to increasing the effectiveness of economic and scientific-technological cooperation, utilizing modern forms of economic production sharing, and accelerating the socio-economic development of the two countries." Further Lambrev quotes from Zhivkov's speech at the congress, especially noting Zhivkov's words on socialist Bulgaria's indissoluble unity with the other Warsaw Pact member-states.

Lambrev reports that "Comrade Todor Zhivkov shares hands with the following comrades: Vdobri Dzhurov, Yordan Yotov, Milko Balev, Ognyan Doynov, Pencho Kubadinski, Petur Mladenov, Petur Tanchev, Stanko Todorov, Chudomir Aleksandrov, Andry Lukanov, Georgi Atanasov, Georgi Yordanov, Grigor Stoichkov, Dimitur Stoyanov, Petur Dyulgerov, Stoyan Markov, Stoyan Karadzhov, Stoyan Mikhaylov, Vasil Tsanov, Kiril Zarev, and Emil Khristov."

After several concluding sentences about the importance of the 27th CPSU Congress, the live relay ends at 1517 GMT.

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POLITICS

BULGARIA

BTA REQUESTS PROPER ATTRIBUTION OF ITEMS

AU281734 [Editorial Report] Sofia BTA in English at 1525 GMT on 28 February transmits the following service message:

"Attn. Correspondents' Bureau of AP-Vienna

"Dear colleagues,

"Expressing our satisfaction with the fact that occasionally you use information and commentaries delivered by our agency, the BTA, we would like to draw your attention to the following fact. There are journalists who work in the BTA, who writing their signed commentaries express their own stand, opinion, analysis, etc., and they should be quoted as authors of the given commentary. It is inadmissible that each commentary by a BTA journalist should be overlooked [as received] and considered for official position of the BTA itself, and it is even less admissible that this commentary should be considered as Bulgaria's stand. Whenever the BTA issues an official declaration, it stresses that fact explicitly. At the same time, the BTA has always specified whether certain stand is expressed by a ministry, the government or another public body. Recently you have quoted comments signed by concrete BTA observers, and have presented them as an official position. That does not correspond to the reality.

"We would ask you in the name of professional precision and etiquette to take into consideration our recommendation for truthful presentation of the authorship of the information distributed by our agency.

"With our best regards: BTA"

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POLITICS

BULGARIA

PROCEEDINGS AT PAPAL ASSASSINATION TRIAL

Consolo Defense Speech

AU041037 Sofia BTA in English 0928 GMT 4 Mar 86

[Text] Rome, March 4 (BTA correspondent Khristo Petrov)--The time of the complete, consistent and uncompromising denunciation of the slander against Bulgaria and against the groundlessly accused of complicity in the papal assassination attempt Bulgarian national Sergey Antonov, Todor Ayvazov and Zhelyo Vasilev has finally come. [sentence as received] The floor was given to the defence and to Antonov's lawyer Prof Guiseppe Concolo.

"Today I am proud to defend Sergey Antonov and to address those who once turned their backs to me thinking that I was standing on the side of a guilty man. Sergey Antonov was brought to trial after an investigation which did not contribute to the revealing of the truth and which was full of sensational mistakes. I saw how the proofs of innocence were turned into accusations. Antonov and the other accused Bulgarians should have been released during the investigation itself. His indictment is a violation of law just like the indictment of two former employees of the Bulgarian Embassy in Italy, Ayvazov and Vasilev, is a violation of the Vienna Convention for Diplomatic Immunity," Prof Consolo pointed out. Prof Consolo said that the defence intends to speak in the language of facts and proofs and to insist on the acquittal of the three Bulgarians due to prove total innocence and not due to "lack of sufficient evidence."

Prof Consolo's speech for the defence centered on two powerful facts which have not been revealed in public before: First: Why did Agca call Antonov Bayramic? Because Bayramic is the name of a small village in Malatia, the native region of the terrorist. The defence had discovered this fact in the geographical atlas of the Italian publishing house "Augostini." Second: According to Italian Law, identification from photographs is of a judicial value only if it has been preceded by a description of the person. But how do things actually stand? First Agca described Sergey Antonov as blond, with a blond beard and moustache and with long hair, and glasses? According to the slanderer he had not used them but had carried them in the upper pocket of his jacket. This description, which does not correspond at all to the appearance of Antonov, renders the identification with the aid of photographs judicially invalid. There is no and there can be no logic which could justify the wrong description and the prompted identification of the preliminarily number of photographs arranged in an album.

Prof Consolo exposed in an irrefutable way another well-known series of Agca's lies. He started with the invented preparation of an attempt on the life of Lech Walesa in Rome unconscientiously supported by Prosecutor Antonio Marini.

"From a procedural point of view the attempt on the life of Lech Walesa does not exist either as a preparation or as a realization. It has found no objective support whatsoever and Agca himself had to withdraw his false evidence," Prof Consolo said and denounced the allegations of the assailant one after the other.

But on the basis of these allegations the counsel for the defence formulated a fundamental consideration about this trial, someone from without had maintained contacts with Agca and had informed him. At the same time he asked the jurors to answer by means of their sentence how the assassin of the Turkish journalist Abdi Ipekci and the assailant of the Pope had been guided.

At the afternoon session of the court Antonov's counsel for the defense revealed Agca's real image--a man overflowing with hate for the socialist countries. In this connection he exposed his lies of his having met the former Soviet diplomat to Iran Kuzichkin, who allegedly helped him get in contact with the "Bulgarian secret services," his alleged acquaintance with a Bulgarian spy called Malenkov who was later made by Agca into a first secretary of the Soviet Embassy to Bulgaria, whose description coincides with that of the invented Bulgarian Malenkov.

Considering all this, Prof Consolo reached the conclusion that Agca's proved inhuman hate of communism determines one of his motives to kill the pope--to discredit the socialist countries Agca mentions this in his letter to the U.S. military attache to Rome, which among other things advises Washington what measures to adopt against the GDR, Cuba and Bulgaria.

The counsel for the defence also revealed a number of other at first glance "small" contradictions in Agca's evidence. For instance Agca alleged that in the end of August 1980 he had to leave Bulgaria because his false Indian passport could no longer serve as a cover up. But then, what has happened to all his allegations that in Bulgaria he was defended by the "secret services.

Before starting his speech for the defence, Lawyer Consolo was unexpectedly interrupted by the appearance of the assassin Agca, who asked for the permission to take the floor in order to give some explanations on the attempt of the life of the Pope.

The terrorist said that he wanted to speak only for a few minutes in order to throw some additional light on the attempt on the life of the Pope. Here is what he said: "I want to talk about the reasons for the attempt on the life of the Pope, about my position and about the position of Serdar Celebi. First I would like to stress that the position of Serdar Celebi is identical to that of Seda Sirri Kadem. I cannot be more explicit because all of you have a conscience. Why was there an attempt on the life of the Pope? The prosecutor could not answer this question therefore I have to answer it. They say that the attempt on the life of the Pope is a crime. I agree, but there was a

reason for it. The only unpardonable crime is to call Jesus Christ a Son of God. Jesus Christ is only an angel in human form. I carried out an attempt on the life of the Pope for an idea. My aim was to deliver a symbolic blow on Western civilization and on Christendom through the personality of the Pope. Because they oppressed the other part of the world, the peoples of the Third World; very soon, I am declaring this clearly and seriously, because I am not an unbalanced person, very soon we will start a Third World War. There is nothing more to it. All Western and Christian peoples will be annihilated. This is all, I have nothing more to say. Thank you," Agca said.

We cannot but note the complete absence of the "Bulgarian connection" in this triade. It is the task of the court to decipher the latest speech of Agca's, but in all cases it is yet another stone thrown at the thesis of the prosecution which proclaimed Agca "Completely trustworthy."

Defense Counsel Speaks

AU060958 Sofia BTA in English 2235 GMT 5 Mar 86

["At the Rome Trial: The Investigation Has Distorted Antonov's Evidence"--BTA headline]

[Text] Rome, March 5 (BTA correspondent)--TODAY, sharp and advancing, Prof Guiseppe Consolo, Sergey Antonov's counsel for the defence, continued his speech revealing not only the slanders of Agca but also the biased attitude of the investigation led by investigating-magistrate Ilario Martella.

"We read in the indictment that Agca's allegations 'find exact and complete confirmation'. Doesn't this conclusion show that maybe someone has been in a hurry to finish the one-way investigation? And certain answers have been written in it, which Antonov has never given or at times has even stated just the opposite," stressed Prof Consolo.

Immediately after that he brought out facts and proofs from the professional documents, which had not received publicity up to that moment. Among them is Agca's allegation that Antonov had smoked Cuban cigars, while Antonov had clearly said in his evidence that he had tried to smoke cigars only once or twice in his life.

Another unpublished and neglected by the investigation fact: The service for registration of prisoners with the management of the prison, had hidden five notes by Agca, which revealed that he had prepared his answers for the investigation beforehand. These notes had been confiscated and buried in the records of the investigation. By the way, they were not the only ones. A number of other things had been neglected, and they had completely refuted the accusatory thesis as early as its beginning.

The assassin had given five versions about the place and time he had met Antonov for the first time, and he had even changed the number of his meeting with him. At first they had been three, and then they had become four. Once he said that he had not known the telephone numbers of the representatives of "Balkan" and

"Balkantourist" and he had gone in person to their offices on "Goricia" Str. in order to find Antonov. Then he had described how they had talked with Antonov in private in a room with one desk in it. And all that had happened during a working day, around 11:00 and 12:00. Where had the other Bulgarian and Italian employees and the four desks, which still can be found in the office of the slandered Bulgarian, been? Let alone the regular or casual customers, which are greatest in number namely at that hour of the day.

After that Agca changed his version and alleged that he had called on the telephone. Well, but he had known Antonov only under the name of Bayramic. And that means that everybody that had worked there had been acquainted with the fact that Antonov had presented himself under a false name. That had not been called in question by the investigating-magistrate.

Further on Prof Consolo dwelled on another lie--the famous "meeting" in Antonov's house on May 1981, and the presence of Rositsa Antonova in Rome. He substantiated in detail the travel of Rositsa Antonova from Rome to Sofia, in the car of the family of Donka and Kosta Krustevi, from May 8 to May 10, 1981, which had also been corroborated by documents and witnesses' evidence. He pointed out another conspicuous fact as well. Antonov, explicably, had deluded himself and had said that at that time his wife had been in Rome. Immediately Agca and his inspirers had fabricated the story with the "meeting." Then Antonov had remembered what had happened before so much time, [as received] and spontaneously corrected his evidence. Agca had made the same right away and declared that he had never seen Rositsa Antonova. How had he been able to find out that the Bulgarian had changed his evidence?

Consolo said that it is an obligation of the court to explain who had seen this informer who had rummaged about among the classified records of the investigation.

This appeal was heard more than once during the session of the Roman Criminal Court. Because Agca had described in detail Antonov's apartment on "Pola" Str. 29, where he had never been. He had made that description at the interrogations on December 22 and December 28, 1982, when he had also spoken about the non-existing sliding-door. Then he had denied his evidence. But there is a question which remains up to this day: How had he been able to describe an apartment in which he had never set foot? Investigating-magistrate Martella and prosecutor Marini accepted the version that he had either seen it on TV or read about it in the papers.

"The counsel for the defence have viewed on TV films and neither of them shows the interior of the apartment. It also checked all newspapers, not only those which have been received in the prison by Agca. A short description of Antonov's apartment appears for the first time in IL'MESSAGERO, but that has been 2 weeks after Agca has made his description. So it seems that either we are utter fools or Agca is a clairvoyant. If we are fools it is better if you write it down in the verdict, dear sirs. But we don't believe in Agca's clairvoyance," stressed Prof Consolo.

But investigating-magistrate Martella believes him. Because after the press conference in Sofia on December 17, 1982, Agca saw that he had been exposed and dropped his lie, that the running man photographed on St Peter's Square had been Todor Ayvazov. Antonov, and he had exchanged him with Oral Celik. He made that 3 days after the hundreds of journalists had the possibility to see in person that the man on the photograph could not be Ayvazov. Anotnov's counsel for the defence wrote to Martella in order to draw his attention to the fact that Agca had been denounced at the press conference in Sofia, which is unprecedented in the history of law and it had been transmitted on television around the whole world. And what was the answer of Martella? Here are his words quoted by Prof Consolo: "This investigating-magistrate has not information Mehmet Ali Agca to have taken part in a press conference on December 17, in Sofia." [sentence as received]

"Maybe the magistrate wanted to say that he did not know Agca to have had a television set at his disposal in his cell. But why then on another occasion later on, he answered that Agca could have seen Anotov's apartment on the TV? These are things which astound us," emphasised the counsel for the defense.

With great precision Prof Consolo exposed a number of other lies of the assailant. And after each of them he asked who had told these details to Agca, about which he had not been able to know if someone else had not suggested them to him.

Had the slanderer been in the block of flats on "Galiani" Str. 36, where the Bulgarian diplomats and employees of the embassy live? According to investigating-magistrate Martella, he had been there, regardless of the fact that he had written a wrong address in front of his eyes, putting a double "l" in the name and changing the number. Mistake? Yes, but it is the same as the misprint in the telephone directory of Rome, where at that time it has been written: "Balliani" Str. 6. Martella did not question that lie.

Prof Consolo did not pass yet another gross violation of the law by the same investigating-magistrate who at present leads the third investigation on the attempt on the Pope's life. The counsel for the defence had requested some information from him, whether Agca had not changed once again his evidence about the running man on the photograph. Martella had refused to answer, referring to Article 144 from the penal procedural code.

Prof Consolo exposed yet another groundless thesis of the prosecution--about the "exceptional" Tir Truck which had to be used for the flight of Agca after the attempt, on May 13, 1981. The truck had left from Bulgaria on March 19 and had passed through several West-European countries, and had arrive in Italy with certain delay. The testimony of the witnesses had categorically confirmed that all persons, Bulgarians and Italians, engaged with the custom clearance of the truck and hurried to finish it as early as May 12, in order to avoid the violation of the schedule established by the law. And to cap it all, on that very day there had been an official party at the Bulgarian Embassy and, together with the truck in front of it, it had been guarded by the Italian police.

The final of today's speech for the Defence of Prof Consolo was devoted to Sergey Antonov's alibi for the day of the assassination attempt against the head of the Roman Catholic Church. There are 19 (nineteen) versions of Agca for that very day, recorded in the procedural documents. They were presented before the court one by one.

The counsel for the defence, Prof Giuseppe Consolo, will continue with his speech on Friday.

Further Defense Summation

AU142055 Sofia BTA in English 1850 GMT 14 Mar 86

[Text] Rome, March 14 (BTA correspondent Khristo Petrov)--This trial is without any basis. This is a house without foundations, and the pictures by Agca are hanging on the walls, and those walls have fallen apart," said Mr Adolfo Larossa, Sergey Antonov's counsel for the defence, starting his speech today, before the Rome Criminal Court examining the second case on the assassination attempt against the life of the Pope.

"This investigation has underrated the peculiarities of Muslim fanaticism, for whom Christianity is the everlasting fortress which has to be attacked and captured. The investigation lacks the political framework, in which the reasons for the assassination attempt against the Pope have originated. They have nothing to do with "Solidarity" in Poland, because at that time such organization have not existed. Our judges have deprived Agca of his religious and ideological image. He belongs to one of the most fanatical religious sects. His socio-political background and his fanaticism have played an important role in the forming of Agca's character," stressed Larossa.

Further on he dwelled on the amateurish and ridiculous "plot," described by the murderer. The attention of the court was drawn to the fact that two Bulgarian diplomats and one deputy-representative of an air company were the least appropriate persons for accomplices of the assailant.

"These people are among those who are under the strictest surveillance and control, not only by our own, but also by foreign secret services, operating in Rome. Among the documents on the case is a document issued by the Rome Questura, which commends Sergey Antonov's correct behavior and includes SISDE's (the Italian intelligence service) approval of the extension of Sergey Antonov's stay in Italy. What does this mean? It means that these official representatives have been placed under control and surveillance. Please note the fact that this document was issued on May 13, 1981. What is more, the pistol used by Agca has virtually made a tourist tour of Europe. Then, on June 3, 1982, an arrest warrant was issued for the detention of Omer Bagci. Different papers started writing about the "Bulgarian Connection" from as early as July 1982.

In the meantime Antonov continued to work in Rome. Let us suppose that he had been absentminded. Had the other two Bulgarians also been absentminded? They could have returned to Sofia even by tram, let alone a plane and a year and a half after the attack, stated the lawyer.

He dwelled at great length upon certain examples which show that the investigation has worked on a prefabricated plot. Agca stated that Antonov had allegedly owned a Fiat 124. The said car had in fact been a Lada. This make, being in abundant supply in the Balkans, has been well known to the slanderer. But he fingered a Fiat, a car the manufacture of which had been stopped in Italy for many years. Investigating Magistrate Martella however, made no objection to this.

The assailant had never seen Todor Ayvazov and Zhelyo Vasilev together. Otherwise he could not have failed to notice the vast difference between the two men's height and body build. He had never seen Bekir Celenk, because otherwise he would not have described him as "tall," while Celenk had actually been 1.63m in height, said the lawyer.

Rome, March 14 (BTA correspondent Khristo Petrov)--Special importance has the interrogation of Agca on June 28, 1983, when he abandoned a heap of lies: About Rositsa Antonova, about his meetings with the Bulgarian diplomat Ivan Donchev, about the preparations of an attempt against Lech Walesa, etc., said Larossa. According to him the investigation had to end at this stage. On January 27, 1984, yet another apogee of Agca's perjuring activity had been recorded. The investigating-magistrate wrote that he used most unscrupulous technique of lie, but then he believed him. The investigating-magistrate charged Agca with slander. But after that the same investigating-magistrate produced the theory of the "witness who sometimes lies, but sometimes speaks the truth."

At the afternoon's session the counsel for the defence went into two other problems in detail: The complete incredibility of Agca as a psychopath, and his conflict with the criminals Yalcin Ozbey and Abdulah Catli. In connection with this Dr Larossa pointed out that Yalcin Ozbey who had been exploited by Prosecutor Marini as "interesting witness" had been nothing more than a wretch and a spy--a "gray wolf" inserted among Turkish leftist emigrants. The counsel of the defence marked that the testimony of Abdulah Catli revealed how Agca had left the criminal group, led by his crazy ideas to become the "most famous terrorist in the world."

In conclusion Dr Larossa stressed that: "There is absolutely nothing against Antonov and his compatriots in this trial. And I want to say a few words about Antonov--the man who came across a story bigger than him," continued Larossa. "He did not remember anything, did not try to remember. He left this hall because he was not in the condition to answer to the questions. Because the time spent in the prison, and after that in the one-room apartment may undermine the mental equilibrium of any other person. [Passage indistinct] asks me about Sofia, and when he will return there. I tell him to be patient because a trial is going on. I agree with you that he was not able to defend himself. Because after a year and a half he was not able to remember what he had done on a certain day. The slanders of Agca had wrecked him. What had to be his reaction to the paper avalanche which buried him? Antonov is important to Bulgaria. He became a symbol of a nation which insists on going out of this trial through the main exit with a raised head. Your honour, members of the jury, this ill-fated whirligig has to stop. I want you to acquit Sergey Antonov because he has not committed the deed (i.e. as not guilty--correspondent's note).

Tomorrow the trial will continue with the defence speeches of another four counsels for the defence.

Defense Speeches

AU151921 Sofia BTA in English 1830 GMT 15 Mar 86

[Text] Rome, March 15 (BTA correspondent Khristo Petrov)--Mr Gofredo Giorgi, assistant of Mr Manfredo Rossi, counsel for the defence of the Bulgarian citizens Zhelyo Ayvazov and Todor Vasilev, was the first to deliver his speech at today's session of the second trial for the assassination attempt against the Pope.

After Dr Adolfo Larossa, who yesterday had to play the role of investigating-magistrate in order to expose the bias of the investigation, now Mr Gofredo Giorgi had to use the approach of a prosecutor in order to prove the untenability of the thesis of the prosecution for "Bulgarian connection" in this attempt.

First, Mr Gofredo Giorgi stressed that the prosecution has two theses at its disposal. The first one states: "The Bulgarians are the instigators, and the 'gray wolves' are the executors." Well, but there were three attempts of the "gray wolves" to kill Pope John Paul II. Agca and his group had prepared an assassination attempt against him in 1979, when the Pope visited Turkey, but they did not succeed to carry it out. The Gray Wolves Aslan Samet wanted to do the same in 1985, in the Netherlands, but he was arrested and a gun from the famous "Vienna Arsenal," the same place from where Agca's gun came from, was found with him. So the Bulgarians are not present neither in 1979, not in 1985. But then, where is the "mission" which they had assigned to the "gray wolves."

The second thesis of the prosecution is the following: The "Gray Wolves" had asked the Bulgarians for help, stressed the counsel for the defence. In this way the famous visit of Agca to Bulgaria may find some place here. On the question why had he left Bulgaria, Agca had answered that his false passport had started to draw some suspicion. But wasn't he in the home of his "instigators"? Why had he to be afraid of anything, and why did he need a false passport at all? One needs a false passport when he wants to mislead and to hide from the authorities of the country he stays in. Why should he leave Bulgaria 11 months before the attempt, when the police is looking for him everywhere in Western Europe [sentence as received]? Why had these gentlemen arranged a hiding place for themselves in Vienna, when they had been able to have one in Bulgaria? Then the question of money. There is not any three million Deutsche marks in this trial and it is meaningless to speak about them. These persons wonder where to find any money from in order to be able to buy their guns. Agca speaks about robberies and that means self-financing. And where are the "instigators" who had to give them the money? And there is something else. I, as a prosecutor would have said to Agca: You described "Pola" Street but you had not been there. That means that someone else had gone there instead of you. You lie about the height of Vasilev, but as you have so strong a memory to remember the number of the miniature bottles and the odour of Havana cigars, you simply must not make such [a] big mistake, pointed out Mr Gofredo Giorgi.

The counsel for the defence answered to the question why Agca had accused the Bulgarians.

"Our prisons are a quiet port for our secret services. I do not believe that they have asked any permission from Investigating-Magistrate Martella and that they have gone simply to look at this "hero of our times." Agca is not a martyr who subjects himself to punishment after he had committed the crime. He enters in prison in order to get out of it. How to get out of an Italian prison? There are two possibilities: An escape or a pardon. It is for the first time in my long years of practice that I see a prisoner convicted to life imprisonment who had not appealed against his sentence. That means that Agca has chosen the second possibility. With whom can he get in touch with? Not with the East, of course. Only with the West. That is the reason for his letters to the American Embassy and his other messages. Agca has brought up a "truth," which has served to the purposes of those who wanted to make use out of it," concluded Mr Gofredo Giorgi.

Assistant Ms Antonella Manfredi, daughter of Musa Celebi's counsel for the defense, spoke after him. She adduced arguments in support of the thesis that in March 1981, Agca still had not had planned the attempt against the life of the Pope, and he had been turned out of the house in Vienna because of his conflicts with his friends. According to the young jurist, Agca had acted alone and that can be seen from the fact that he had telephoned to his friends in Vienna on May 12, to ask them to shelter him once again. A thing he would not had done if he had a whole organization behind him, and even less if he had the Bulgarians as "accomplices."

The trial will continue on Monday. The other four layers will have to finish their speeches up to the end of the next week, and Mr Manfredo Rossi, counsel for the defence of Todor Ayvazov and Zhelyo Vasilev, is among them. Today, presiding Judge Severing Santiapichi confirmed his intention to deliver the verdict up to the end of this month.

Turks' Defense Attorney Summations

AU180845 Sofia BTA in English 2102 GMT 17 Mar 86

[Text] Rome, March 17 (BTA correspondent Khristo Petrov)--The Rome Criminal Court examining the Pope plot case opened its 90-second hearing today with the summation of lawyer Vito di Giulio, counsel for the defence of Omer Bagci and court-appointed attorney for Oral Celik.

As far as the former defendant is concerned, his case boiled down to the contention that his client was not an accomplice of Ali Agca in the assassination attempt against the head of the Roman Catholic Church and that he had not been aware of the intended use of the gun he had carried from Switzerland to Milan to hand it there to the assailant. Lawyer di Giulio emphasised that Bagci's transit trip across Bulgaria in the summer of 1980 had absolutely nothing to do with the crime imputed to him, as repeatedly insinuated by Prosecutor Marini, who indicated precisely the Bulgarian border control stamps in the defendant's passport. Just as millions of Turkish nationals working in Western Europe, Bagci used to cross the territory of Bulgaria twice every year to spend his

summer holidays in Turkey. He had always travelled with his passport duly stamped at the Bulgarian border check points and, consequently, he had been checked in full compliance with the requirements of Bulgarian law. Concluding this part of his summation, the defence lawyer requested Bagci's acquittal for lack of proof or for insufficient evidence to convict him on the charges of complicity in the papal assassination attempt, and he pleaded for mitigating circumstances to be allowed to the charges of illegally introducing firearms in Italy.

The lawyer produced certain arguments which, in his view, undercut the accusations levelled by Agca at Oral Celik. Above all, this is the utterly discredited personality of the source of the accusations. The motivation of these unproven allegations of Agca's against Celik should be sought in the slanderer's endeavours to lend himself credibility and to demonstrate "cooperation with the Italian judiciary."

Roberto Manfredi, the defence lawyer of Musa Cerda Celebi, called on the court to acquit his client on the grounds of not having been involved in the plot to kill the Pope and of not having rendered logistical and moral assistance to Agca in his malice aforethought and of not having ever paid the notorious and imaginary three million Deutsche Marks on behalf of the "instigatory." The lawyer stressed that Agca's repentance is entirely bogus. Along with his mythomania and anti-social behaviour, he is hereditary defective, being the son of a chronic alcoholic. Agca himself said that 90 per cent of what he spoke was lies, the lawyer indicated.

"An Italian judge should feel insulted by Agca's lies which change not by the month but by the day. He contrived to stuff two lies in just a matter of a line and a half. This is an insult to Italian justice, to our magistrates and to ourselves," Dr Manfredi emphasised.

He pointed out that the slanderer has produced over 10 different versions of his meetings with Musa Cerdar Celebi, which are overbrimming with contradictions. One fabrication, for instance, is the meeting at Zurich's Sheraton Hotel at the beginning of April 1981, which was allegedly attended by Oral Celik and Bekir Celenk. In reality, at that time Oral Celik was in Vienna and Celenk was in London.

Lawyer Manfredi will wind up his final arguments on Wednesday. On Friday the Lawyer Manfredo Rossi, counsel for the defence of Zhelyo Vasilev and Todor Ayvazov, will be given the floor for summation. Saturday morning is set for a speech by the other attorney of Omer Bagci. After him, the floor will be given consecutively to Prosecutor Antonio Marini, to the defence lawyers who will reply to his remarks, and to the defendants, who will be given the right to a last statement. That same evening the court will retire for deliberations and will return a verdict on one of the following days.

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POLITICS

BULGARIA

BRIEFS

DOYNOV RECEIVES USSR DEPUTY MINISTER--Comrade Ognyan Doynov received today Georgiy Sergeyev, deputy minister of ferrous metallurgy of the Soviet Union. A discussion took place on certain questions concerning the development of bilateral cooperation in the field of metallurgy. [Text] [Sofia Domestic Service in Bulgarian 2030 GMT 13 Mar 86 AU] /8918

MLADENOV TO VISIT IRAN--Tehran, [as received] Feb 28, IRNA--Iran's charge d'affaires to Sofia Seyyed Reza Haj-Zargarbashi met and conferred with Bulgaria's Minister for Foreign Affairs Petur Mladenov on relations between the two countries here Thursday. In the meeting Bulgarian foreign minister expressed hope that his upcoming trip to the Islamic Republic can help expansion of bilateral relations as well as further Irano-Bulgaria cooperation. Iran's viewpoints vis-a-vis the UN Security Council as well as violation of international regulations by Iraqi regime were also discussed at the meeting. [Text] [Tehran IRNA in English 1528 GMT 28 Feb 86 LD] /8918

BULGARIAN-AUSTRIAN FRIENDSHIP SOCIETY--In Vienna A festive meeting has been held on the occasion of the 30th anniversary of the formation of the Austrian-Bulgarian Society. It was attended by Georgi Dzhagarov, chairman of the Bulgarian-Austrian Friendship Society; Angel Balevski, chairman of the Bulgarian Academy of Sciences; and Pavel Matev, chairman of the Bulgarians Abroad Committee. Georgi Dzhagarov presented the Federal Minister Karl Blecha, president of the Austrian-Bulgarian Society, with a letter of congratulations from Comrade Todor Zhivkov. The letter was read by Karl Blecha, who presented greetings on the occasion of the jubilee in the name of Austrian President Rudolf Kirchschlaeger and of Federal Chancellor Fred Sinowatz. Distinguished Political and public figures of the two countries, among them Georgi Dzhagarov, Angel Balevski, and Pavel Matev, were awarded the society's insignia of honor for their contribution to the development of Austrian-Bulgarian relations. Karl Blecha was reelected president of the Austrian-Bulgarian Society. [Text] [Sofia Domestic Service in Bulgarian 1830 GMT 1 Mar 86 AU] /8918

CONDOLENCES ON PALME DEATH--Todor Zhivkov, State Council chairman, and Grisha Filipov, chairman of the Council of Ministers, have sent a message to Karl XVI Gustaf, king of Sweden, which reads: Please accept our deepest condolences on the death of Olof Palme, prime minister of the Kingdom of Sweden, which resulted from a malicious murder. With his high international authority and as a leader for many years of the Swedish Government and the Social Democratic Workers

Party, Olof Palme made a significant contribution to the struggle for peace, general disarmament, security, and cooperation among peoples. Sincere sympathy is expressed to the spouse and relatives of the deceased. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 3 Mar 86 p 1 AU] /8918

ZAREV AWARDED TITLE--The State Council has issued a decree on awarding Comrade Kiril Zarev with the title Hero of Socialist Labor on his active participation in the construction of socialism and on his 60th birthday. [Text] [Sofia Domestic Service in Bulgarian 2030 GMT 5 Mar 86 AU] /8918

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POLITICS

CZECHOSLOVAKIA

HUSAK COMMENTS ON 27TH CPSU CONGRESS ON SOVIET TV

LD050208 Prague Television Service in Czech and Slovak 1830 GMT 4 Mar 86

[No video available]

[Text] [Announcer] Comrade Gustav Husak gave an interview for Soviet television today:

[Begin recording] [Question in Russian with superimposed Czech translation] What is your strongest impression from the 27th CPSU Congress?

[Husak] We have been much impressed by the political report of the Central Committee of the CPSU and also by the responsible approach of all participants in the discussion at the congress rostrum and the courage with which they were putting forward new issues. [end recording]

[Announcer] When asked with what ideas and feelings Czechoslovak communists approached their congress Comrade Husak said that although our countries differ with regard to their size and in other directions, their problems are similar. Therefore we are helped in our work by following what emphasis the 27th congress put on such issues as the acceleration of social-economic development, restructuring of the method of management and improvement of the socialist society. In our country the course of 27th congress is followed with great attention. The members of the party and our whole general public is well informed about it from the published materials. The stimuli from the 27th congress will find their use at the coming summit deliberations of the Czechoslovak communists.

During one of the breaks of the congress deliberations Comrade Husak met delegates to the congress in the great vestibul of the congress palace. Among them were also 35 representatives of Vladimirska Oblast led by the First Secretary of the Obkom, Ratmir Bobovikov.

The delegates from Vladimirska Oblast informed Comrade Husak about the close contacts that link individual enterprises and associations of their oblast with Czechoslovakia. Vladimirska Oblast has been for 20 years the twinned region of the North Bohemian region.

Comrade Husak stressed in a cordial and informal discussion with delegates the great importance of exchange of concrete experience and promotion of direct contacts and cooperation between the Czechoslovak and Soviet enterprises.

POLITICS

CZECHOSLOVAKIA

BRATISLAVA VIEWS USSR REACTION TO U.S. DEMAND ON UN STAFF

LD101024 Bratislava Domestic Service in Slovak 0600 GMT 10 Mar 86

[Commentary by editor Slavomir Malickja with correspondent Stefan Simah dispatch from Moscow]

[Text] Washington's demand that the Soviet Union reduce the number of its diplomats at the United Nations by 40 percent has provoked new concern in the world. The fact is that this is another attack upon the United Nations. It simultaneously is a step by the White House seriously undermining Soviet-U.S. relations. Even the U.S. communication media assess the situation in this way. The WASHINGTON POST has termed the White House statement as a step running counter to the agreement between the United Nations and the United States. The daily NEW YORK TIMES goes even further, observing that justifiable demands may emerge following such a course of action to transfer the seat of the United Nations from New York.

Regrettably, the Reagan administration intends to continue its confrontation policy. As Secretary of Defense Caspar Weinberger declared last night, the White House will not alter its decision to reduce the number of Soviet diplomats at the United Nations. Stefan Simah, our resident correspondent in Moscow, has sent us the following dispatch on the Soviet Union's reaction to such a course of action:

This U.S. State Department decision is being described in Moscow as an unprecedented hostile step aimed not only against the Soviet Union but also against the United Nations. Thus, Washington is making it openly apparent that it intends to continue its policy of pressure to subject the UN's activity to its interests. Among the many actions aimed at making the work of the Soviet mission in New York more difficult, the Soviet radio has recalled the restrictions put on the movements of its officials on U.S. territory. It simultaneously has recalled that a terrorist campaign against the missions of the socialist states, progressive development countries and national liberation movements have been escalating for many years with Washington's apparent toleration. The TASS agency has published a whole number of international reactions agreeing that the United States has given serious reasons by this decision to voice doubts whether the UN seat should remain on its territory in the future as well. It has been regretfully observed in Moscow that in variance with the Geneva meeting results, the White House is acting purposefully by this act against the interests of easing international tensions.

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CSO: 2400/207

POLITICS

CZECHOSLOVAKIA

INDRA ADDRESSES MEETING ON WOMEN'S DAY

LD061312 Prague Domestic Service in Czech and Slovak 1100 GMT 6 Mar 86

[Report by Petr Voldan]

[Excerpts] Representatives of Czechoslovak women and representatives of the party and the state are presently having discussions at Prague Castle in the traditional gathering marking International Women's Day.

Women are now exchanging impressions with Alois Indra, member of the Presidium of the CPCZ Central Committee and chairman of the Federal Assembly, and other representatives.

Comrade Indra conveyed to all those present here in the Spanish Hall, and through them to all women in the whole country, a personal message from Gustav Husak, general secretary of the CPCZ Central Committee and president of the republic, who is heading a Czechoslovak delegation at the congress of Soviet Communists in Moscow. Indra praised the role of women in the development of society, their irreplaceable role in the education of children and the young generation. He also stressed the fact that the challenging tasks we discuss in the present period, during the pre-congress preparation, also require the initiative of women. Comrade Indra expressed it by these words: I am convinced that Czechoslovak women will understand the seriousness of the present tasks, that they will, just as they did in the past, give their hearts, their skill and knowledge for the implementation of new ideas, that they will participate significantly in overcoming all that which hinders us, Comrade Alois Indra said.

After his congratulations on International Women's Day, Comrade Marie Kabrhelova spoke. The representative of our women's organization expressed thanks, on behalf of Czechoslovak women, for the invitation and praise for work not only of those present at the Prague Castle, but also of those unnamed in our whole country. She assured our leading party and state representatives of the support with which women would continue to fulfill entrusted tasks not only in the building of the homeland but also in the struggle for the preservation of peace.

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CSO: 2400/207

POLITICS

CZECHOSLOVAKIA

RUDE PRAVO VIEWS STRUGGLE AGAINST BRIBERY

LD121202 Prague Domestic Service in Czech and Slovak 0830 GMT 12 Mar 86

[From the press review]

[Text] Today's RUDE PRAVO editorial, entitled "Irreconcilably Against Bribery" is dedicated to the struggle for strengthening socialist legality, particularly against unjustified enrichment. It notes that the steps which the party and state organs have taken in order to step up this struggle are being met with active support on the part of the citizens and have been reflected in a number of concrete results. Our public realize more and more clearly that every malpractice harms all society. But this simple equation is not being understood by everyone. RUDE PRAVO gives some examples of bribery, noting that even though the number of prosecutions is increasing, it is still far too low and does not correspond to the common view on the spread of this dangerous anti-social behavior. It is caused also by the fact that the organs active in the prosecution of those involved in bribery find it difficult to prove, while reports of bribery from citizens are only sporadic. This is understandable, for neither of the parties in a bribe has any interest in it being exposed.

Our citizens are not very well acquainted with the stipulations of the criminal law on bribery, according to which punishment for bribery or corruption is withheld if the person who has asked for and gives a bribe reports it in time to the appropriate organs.

RUDE PRAVO mentions the letter of the CPCZ Central Committee Presidium to the party organs and organizations on deepening efficiency in the struggle against breaking the principles of socialist legality, morality and discipline, which stresses that employees who contradict the principles of socialist morals and the law cannot be protected.

Bribery cannot be ended suddenly, but it can be eliminated by a daily struggle against it. This struggle consists in uncompromisingly revealing and eradicating the residues of petit-bourgeois morality. Of principled significance is also systematic narrowing of the field for those who do not intend to give up their petit-bourgeois inclinations. In satisfying justified needs and demands of the citizens, must not be tolerated. Wherever there are faults in an organization lacking efficient control the present practice must be reassessed and improved RUDE PRAVO says in conclusion.

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POLITICS

CZECHOSLOVAKIA

BRIEFS

LENART MEETS USSR ACADEMY OF SCIENCES--Jozef Lenart, CPCZ Central Committee Presidium member and CPSL Central Committee first secretary, received in Bratislava today V.P. Dzhelepov, USSR Academy of Sciences corresponding member, director of the Nuclear Problems Laboratories of the Joint Nuclear Research Institute at Dubno. In a friendly conversation, the visitor explained the current orientation and results of CEMA's international cooperation within the framework of the Joint Nuclear Research Institute at Dubno. Comrade Jozef Lenart highly appreciated the results of the institute's 30 years of activity, which serve the peaceful use of nuclear physics and energy. He noted that the form of direct scientific cooperation in joint teams and laboratories is an example for other sections of scientific development, particularly in fulfilling the tasks of the CEMA member countries' comprehensive program for scientific and technological progress up to the year 2000. Comrade Jozef Lenart also stressed that the results of the 27th CPSU Congress proceedings create conditions for further developing scientific work and international cooperation. [Text] [Prague Domestic Service in Czech 1130 GMT 10 Mar 86 LD] /12712

YOUTH REPRESENTATIVE APPOINTED TO IUS--A friendly meeting took place yesterday in Prague between leading representatives of the Central Committee of the Socialist Youth Union and of the Czechoslovak University Students' Center, and members of the secretariat of the International Union of Students. It was announced at the meeting that Miroslav Stepan, the permanent representative of the Socialist Youth Union to the International Union of Students has been released from his duties in connection with his assignment to other tasks. Josef Skala, member of the Presidium of the Central Committee of the Socialist Youth Union, has been assigned to this post. Jaroslav Jeneral, chairman of the Central Committee of the Socialist Youth Union, paid tribute at the meeting to Miroslav Stepan's many years of meritorious work, noting that under his presidency the International Union of Students has consolidated its important role in the world student movement and had made a very active contribution to fostering the ideals of peace and progress. [Moscow TASS in English 0700 GMT on 11 March 1986 also reports that Skala had been appointed president of the International Union of Students] [Text] [Prague Domestic Service in Czech and Slovak 0400 GMT 11 Mar 86 LD] /12712

ESCAPE BID ENDS IN DEATH, INJURY--Prague, March 11 (AFP)--A young man was killed, and his companion badly injured, when their powered hang-glider crashed as they tried to flee to Austria, according to local press reports Tuesday. The man named only as Jo Ef, 30, died shortly after the crash. Jiri, 29, was recovering from severe injuries in Brno Hospital. Jiri's father took the two young men to hospital, claiming they had been hurt in a car accident. Jiri has been charged since with "illegally trying to escape from the country." The press did not say when the incident happened. [Text] [Paris AFP in English 1214 GMT 11 Mar 86 AU] /12712

BUS HIJACKER SENTENCED--Prague, 27 Feb (AFP)--A Czechoslovak court has sentenced to 22 years' imprisonment a man who hijacked a packed bus and threatened to blow it up unless he was allowed to leave for West Germany, a newspaper reported Wednesday. The southern regional newspaper Jihoceska PRAVDA said the hijacker, Vladimir Beno, now 26, had been sentenced on Tuesday by a court in the southern city of Budejovice and would serve out his sentence in a "third category" prison, the most severe. He seized the bus with 48 people on board on 9 November, 1984. After firing three shots in the air and wiring the vehicle with dynamite, he commandeered it to the border post at Strazny, on the southern Czech border with West Germany, where he was eventually disarmed by police. [Text] [Paris AFP in English 1130 GMT 27 Feb 86 AU] /9738

SLOVAK OFFICIAL 'RELEASED' FROM POST--The session of the Central Slovak Regional National Committee, held in Banska Bystrica on Wednesday [26 February], released Jan Pikul from the post of chairman of the Central Slovak Regional National Committee, and elected Pavol Bolvansky to the post of Regional National Committee chairman. [RUDE PRAVO/CTK report in the "Per Teletype, Mail, Telephone..."] [Text] [Prague RUDE PRAVO in Czech 27 Feb 86 p 2 AU] /12712

ARMY COMMUNISTS' CONFERENCE ENDS--Trencin (CTK)--The 2-day conference of communists of the Eastern Military District and military colleges ended with a discussion in Trencin yesterday [25 February]. In their speeches, the delegates concentrated on a critical analysis of the achieved results and on the further tasks pertaining to the enhancement of the action capability of party organizations, in particular as regards stimulating the activity and initiative of communists and the other members. Its expression is the appeal of the Ruzomberok Jan Kollar mechanized infantry's formation to greet the 17th CPCZ Congress and this year's important anniversaries by excellent and good results in the fulfillment of the tasks of the training year. One also discussed the perfection of the training of the lowest-level commanders and specialized cadres for the needs of the Czechoslovak People's Army. The resolution adopted at the end of the conference orients the endeavor of communists toward an honorable fulfillment of the new demanding tasks in building and defending our fatherland and the socialist community and in realizing the intentions set by the 17th Congress. [CTK Report: "Party Conference Ends"] [Text] [Bratislava PRAVDA in Slovak 26 Feb 86 p 2 AU] /12712

CSO: 2400/207

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POLITICS

POLAND

REPORTAGE ON DEFENSE COMMITTEE MEETINGS

Krakow, Rzeszow, Olsztyn Meetings

Warsaw TRYBUNA LUDU in Polish 26 Sep 85 p 2

[Text] A meeting was held in the Krakow Cable Factory of the Krakow Voivodeship Defense Committee [WKO]. The purpose of the WKO meeting was the implementation of production targets under the conditions of economic reform and activities in the civil defense field. The committee has also appraised the state of law and order and safety in the region, taking corresponding measures. The meeting was attended by Kazimierz Barcikowski, member of the Politburo of the CC PZPR, representatives of the State Administration, and directors of the district and voivodeship organizational units, including key workplaces of the city.

K. Barcikowski, accompanied by members of the committee and guests has acquainted himself with conditions of work in the production departments of the "Cable" and inspected the department of rehabilitation and protected work of the factor.

A meeting of the Rzeszow WKO was held in Rzeszow, on 25 September 1985. An appraisal was made of the sociopolitical situation in the region and the state of law and order and discipline. The meeting was attended by Gen. of Arms Florian Siwicki, deputy member of the Politburo of the CC PZPR, minister of national defense.

At the WKO meeting, on 25 September 1985, in Olsztyn, the state of law and order and public safety in the region was discussed.

Gdansk Meeting

Gdansk GLOS WYBRZEZA in Polish 2 Oct 85 p 2

[Text] The Voivodeship Defense Committee [WKO] was in session on 1 Oct 85 under the chairmanship of the Gdansk Voivode, Gen. Bde. Mieczyslaw Cygan.

Gen. Bde. Jerzy Andrzejewski, chief of the Voivodeship Internal Affairs Office, presented information on the state of law and order and public safety in the voivodship. The analysis of crime detection 9 months into the current

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year permits us to assume that there occurred further stabilization of our life and a more efficient safeguard for the observance of principles of law and order. The detection of crime in the Gdansk voivodeship is higher by 3 percent than the national average.

Thereafter, T. Ligenze, director of the OW NBP [Voivodeship Branch of Polish National Bank] gave the information on the money market situation in the Gdansk voivodeship. During the first 8 months of the current year there occurred a rather considerable increase of financial resources of the population as much as over 10 billion zlotys put in the PKO Savings Bank or cooperative banks. This was caused by a rise in wages, and it should be noted that the income of the people employed in a nonsocialized economy increase faster than wages of workers in a socialized economy.

The improvement of economical management and efficiency in the production of enterprises is a requisite for a fuller satisfaction of market requirements of the population. In situations most distressing through a restrictive credit policy the measures are being enforced aimed at a better efficiency in management, increase of production and improvement of its quality; in Gdansk voivodeship they encompass 16 enterprises.

Andrzej Kaznowski, director of Supreme Chamber of Control [NIK] Delegation, based on the results of the inspections carried out, presented information on the state of compliance with legal regulations and economic management in enterprises, workplaces and economic organizations in the Gdansk voivodship.

The necessity was established for fuller supervision of the subordinate units by the promoter organs. The role of intermediary supervision in the workplaces, especially the inspection function is also insufficient.

Leonard Martin, director of the Department of Agriculture, Food Economy and Forestry of the Voivodeship Office, presented the information on the course of the harvesting campaign and the management of crops. Yesterday the harvesting in the Gdansk Voivodeship was ended. 70 percent of potatoes were gathered and sowing of wintercrops progressed by 48 percent. The purchase of farm products proceeds normally. To a great extent the activity of trade organizations will depend supplying the population with potatoes, fruit and vegetables which are expected to yield good crops this year.

The WKO enjoined the agricultural services to work out and generalize the proved technologies for obtaining high results in agricultural production in all sectors of our agriculture.

Military, Police Family Activists Meet

Biala Podlaska SZTANDAR LUDU in Polish 23 Sep 85 p 2

[Text] A national conference of the Military and Police Family Activists has ended in Dublin. The aim of the conference, organized by the National Panel for Matters of Police Family Circles and the Central Council of the Organization of Military Families, was to sum up the experience of

collaboration and to map out further directions of the activities, as well as the question of active participation in the electoral campaign.

The program of the first day of the conference included among others a meeting with a woman deputy candidate for Sejm, Jadwiga Biedrzycka, chairwoman of the league of Polish Women, and with Gen. Bde. Albin Zyto, deputy chief of the Main Political Directorate of the Polish Army.

On the second day of the conference its participants have met with Gen. Bde. Bernard Naregowski, chief of the Voivodeship Office of Internal Affairs. Referring to the historical role of Lublin in shaping Poland's statehood, he has stressed the importance of women's activity in the emergence of society from moral crisis.

The choice of Lublin as a place for the conference was a distinction to the local women leaders and at the same time the recognition of their accomplishments, among other things in the organization of patriotic athletic-defensive meets and propagation of various forms of secular ceremonials, which was unanimously stressed in their speeches by the chairwomen of both organizations: Lt Col Zofia Bojarska-Zygler and Irena Cieckowska. Participants of the conference laid flowers at the monument of the first chief commander of the MO [Citizens Militia] Gen. Franciszek Jozwiak-"Witold" and paid tribute to the memory of victims of the Hitlerite extermination camp in Majdanek. The conference's attractive conclusion was a visit to a museum in Kozlowka.

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CSC: 2600/43

POLITICS

POLAND

POLLING CENTER SEES 'ARTIFICIAL UNANIMITY' IN PRESS BEHAVIOR

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 18 Feb 86 p 6

[Article by "joeb.": "Criticism of Polish Press--'Artificial Unanimity'--An Analysis"]

[Text] Warsaw, 17 Feb--The Polish press holds the decisions of the government in the same high esteem as a Jew has for the Talmud. So states a key sentence in a study of Polish newspapers and journals issued last year by the polling institute attached to the Council of Ministers which has now been made available to a wider readership. The institute, the CBOS (centrum badania opinii społecznej), founded by General Jaruzelski shortly after the proclamation of martial law, with Colonel Kwiatkowski in charge, occasionally attracts attention with openly critical analyses within the framework of the system. One seldom knows, however, whether its suggestions are followed.

Using the press for 9 months of 1983 as evidence, the institute showed, for example, that the Patriotic Movement for National Renaissance (PRON) clearly was being discussed only in positive terms. As in the case of the birth and development of the new labor unions, it stated, PRON apparently was regarded as a "protected sector." This has changed recently, with PRON being subjected to a barrage of criticism after a former member of the Presidium expressed doubt as to whether the organization was still a mass-effective movement. But the most important points of the [CBOS] criticism remain. For example, it stated, one can detect a "tacit agreement" to the effect that it is not necessary to get into a discussion of the principles of the social order or basic government policy; it suffices to note that consistent implementation of the decisions of the ninth party congress guarantees that the crisis will be overcome. The political-ideological debate is reduced to a minimum, according to the CBOS study. Most ideological publications pronouncements consist of cliches and reproduced materials which were not subjected to any change for years. Controversial and unclear questions are avoided, and alternative ideas rejected. This creates an artificial unanimity, which reflects a reality with taboos.

In the relevant months there has been virtually "no debate about any issues with the political adversary, with the underground. This problem, with the emphasis on the adversaries' inspiration from abroad, has been looked at from the point of view of a conspiracy." There has been a tendency to "trivialize and deride" it.

For years there have been the same "weaknesses of propaganda" in foreign affairs. There have to be doubts about the reporting on the Soviet Union and other socialist countries, it is stated in the analysis. The unilateral selection of subjects is producing an artificial, colorless, and unreliable picture. The recurring assertion that things look worse in Poland than in the fraternal countries leads to frustration among the readership. As for the West, the press creates the impression that people in Poland are in a state of permanent crisis, close to ruin. The Third World is treated superciliously. About it it is written in the style of comics without any expertise.

The CBOS report analyzes in detail the coverage of the economic reform by the Polish press in 1983. Probably because of a lack of expertise, hardly anyone dares make an overall assessment of the subject, the report states. In polemics the press concentrates on the correctness of decisions made. Individual problems of the reform--prices, wages, investments--are handled separately from one another. Seldom is there any coverage about the effect of criticism from among the public on government decisions. There has probably been some improvement in this respect since. Press criticism of typical shortcomings and everyday difficulties in sizable, the analysis continues. The methods of authorities are excoriated, and there is griping about abuses in construction and the disastrous state of affairs in public health, education, and protection of the environment. "The press is absorbed in these subjects, and one has to assume that it is intended to give vent to tensions and frustrations."

8790/7687
CSO: 2300/223

POLITICS

POLAND

POLISH EPISCOPATE EXAMINES YOUTHS' UPBRINGING

LD142100 Vatican City International Service in Polish 1515 GMT 14 Mar 86

[Excerpts] Warsaw—The 212th plenary conference of the Polish Episcopate met in Warsaw from 12 to 13 March. The plenary conference proceedings, as also those of the Episcopate's Supreme Council on 11 March, were chaired by Cardinal Jozef Glemp, the Polish Primate.

The bishops resumed their work in plenary session on 13 March, the second day of proceedings. Referring to the Holy Father, John Paul II's designation of Palm Sunday as World Youth Day, they examined ways of celebrating it in Poland. This day will be an expression of the unity of Catholic youth with the Holy Father. Sharing the Holy Father's concern for young people's allegiance to Christ, the bishops devoted particular attention to certain immediate problems of bringing up Polish children and youth, especially in schools. The school, under the slogan of secularity, is unfortunately once again becoming an arena for more intensive atheistic propaganda. The bishops remind us that the school should play a subversive educational role in relation to that of the home. The vast majority of Polish families are Christian, and cannot agree to their children being educated outside the home in an atmosphere of enmity to the Church and to religion.

The recently instigated practice of so-called verification of teachers, which in many cases goes against their consciences and against basic human rights, also arouses opposition. Teachers are being ordered to educate children and youth according to an atheistic program. No authority should be allowed to do this. The bishops express their appreciation to those teachers and educators, who, despite pressure, remain faithful to their own convictions, and respect the convictions of parents and young people who are believers.

/9738

CSO: 2600/315

POLITICS

POLAND

JABLONSKI DEFENDS 'CONTINUING PROCESS' OF SOCIALISM

Warsaw ZYCIE WARSZAWY in Polish 27 Sep 85 p 3

[Prof Henryk Jablonski interviewed by Jadwiga Wiecek from SLOWO LUDU of Kielce (21, 22 Sep 85)]

[Text] "Socialism cannot be decreed. It must be built by a collective effort of the millions of citizens. The socialist democracy is a continuing process. It will develop the faster the wider the conviction spreads that this is the only way to strengthen our state, to set in order our economy, to enrich our national culture, and to ensure social law and order and development of every individual.

We should also not forget that the riches of individuality are the riches of society. Under one condition, however--that individuals recognize their duty to defend the common interests of society, for only then society will be able to defend the rights of individuals. Thence follows the close connection between the rights and duties.

(...) I cannot listen calmly to a senseless talk that idealizes prewar social relations, as if there had not been the calamity of unemployment in the cities, the overpopulated countryside starving during the preharvest period, illiteracy, oppression of national minorities, there had not been the "purge" regime dictatorship, many thousands of political prisoners, the shame of Brzesc and Bereza, as if there had not been dependence of the Polish economy on the foreign capital, and weakness of the state torn apart by internal contradictions, at odds with its neighbors.

(...) We persist in asking history ever new questions. The answer will be the fuller, the better the investigative method used by us. There is one indispensable condition: the full truth in representation of facts. The truth alone is instructive. The fairy-tales and myths have a devastating effect on the people's awareness and impede the understanding of the present. They lead astray the thought of the future."

1015/9435
CSO: 2600/43

POLITICS

POLAND

BRIEFS

OPINIONS ON CIVIL SERVANTS' WORK AIRED--Only 31.8 percent of those polled by the Center for Airing Public Opinion recognized that the work of a local office in their place of residence deserves to be considered good or very good. How do civil servants rate their own work? Eleven percent of those polled said that their office was very good; 70.6 percent--very good. Only 0.5 percent of those polled considered their work unsatisfactory. Civil servants see the main values of administration as good, efficient and prompt work; proper, cultured client service; and serving the state and society. These opinions are rather surprising when compared with the feelings of customers. [Text] [Warsaw ZYCIE WARSZAWY in Polish 27 Sep 85 p 3] 1015

VATICAN CITES COMMUNIQUE ON TEACHER REVIEW--Bialystok--A communique has reached us from the Archbishops Curia in Bialystok concerning an issue which will apply not only to inhabitants of Bialystok voivodship, but to all the faithful in our country. Hence we are giving the full text of the communique: School authorities in our voivodship have been carrying out a review of teacher cadres, and have demanded the filling-in of a questionnaire in which some questions clearly violate the decree on freedom of conscience, and Article 82 of the Constitution of Peoples Poland. There is no rule in Polish law which says that it is a duty, even a moral one, of a teacher to be a member of the party, or trade union, or that he has to accept atheistic ideology, which is called in the questionnaire: Strengthening of a lay character of the school, and lay customs. Support for atheism, or faith is a matter of human conscience, and in matters of conscience no one has the right to ask for self-assessment. The Catholic community is concerned with this attitude of school authorities. We appeal for the observance of the principle of freedom of conscience, and the withdrawal of this kind of question from the questionnaire. The communique was signed by the chancellor of the Archbishops Curia in Bialystok. [Text] [Vatican City International Service in Polish 1900 GMT 10 Mar 86 LD] /12712

CSO: 2600/307

POLITICS

YUGOSLAVIA

BELGRADE HISTORIAN DISCUSSES WARTIME CONCENTRATION CAMPS

Belgrade INTERVJU in Serbo-Croatian 31 Jan 86 pp 19-23

[Interview with Antun Miletic, Belgrade historian, by Dragan Tanasic: "The Hell of a Sick Mind"; date and place not given]

[Text] A two-volume book by the Belgrade historian Antun Miletic, "Koncentracioni loger--Jasenovac--1941-1945 dokumenta" [Documents of the Jasenovac Concentration Camp 1941-1945], will be published in a matter of days by "Narodna knjiga" of Belgrade and the Jasenovac Memorial District.

Antun Miletic is also the author of the following books published by the Institute of Military History: "Zbornik dokumenata i podataka o narodnooslobodilackom ratu naroda Jugoslavije, Tom X" [Collection of Documents and Data on the National Liberation War of the Peoples of Yugoslavia, Vol 10], "Dokumenti Nemackog Rajha" [Documents of the German Reich], and he has prepared "Aprilski rat 1941. Zbornik dokumenata" [The April 1941 War. Collection of Documents], as well as books he has coauthored: "Zbornik dokumenata i podataka o narodnooslobodilackom ratu naroda Jugoslavije, Tom XV" [Collection of Documents and Data on the National Liberation War of the Peoples of Yugoslavia, Vol 15] and "Ucesce Hortijeve Madzarske u napadu i okupaciji Jugoslavije 1941-1945 godine" [The Participation of Horthy's Hungary in Attacking and Occupying Yugoslavia 1941-1945]. In addition to these books, he has also published two monographs and more than 40 scientific papers on the topic of the NOB and the revolution in various publications and journals.

In this interview, as the reader might well assume, we concerned ourselves with the technology of the Ustasha atrocities, which were unprecedented at the time in Europe, and had not occurred even in the camps of the German Reich.

[Question] What does your book about Jasenovac reveal to its readers?

[Answer] Nothing more than what the Ustashi and other Nazi-fascists did in those death camps. To be specific, readers will find in it the foreword by Jefta Sasic, national hero, the author's introduction, which is a kind of synthesis, and more than 500 authentic documents which tell in their own particular language the history of the Jasenovac hell from its inception in August 1941 until May 1945. I would like to mention at once that I have not written a monograph about Jasenovac, but I have merely presented a portion of the

authentic material with which it is possible to reconstruct the horrifying atrocities which took place in that concentration camp. Readers will learn from these reports, orders, decisions, lists, commitment orders, and cards from police files, mostly secret Ustasha documents, who the UNS [Ustasha Surveillance Department] and the Directorate for Public Order and Security, and also the district superintendents, assistant district superintendents, and regional police departments sent to the camps and what they did with those innocent people. Readers will also find confessions of the criminals who committed monstrous murders, such as the camp commanders and administrators Miroslav Majstorovic Filipovic, priest, Ljubo Milos, Ante Vrbanc, Maks Luburic, and others, all the way to the notorious Maja Budzon, a woman who was one of the heads of the female division of the Stara Gradiska Concentration Camp....

They will also find the full accounts of those who in one way or another were replaced or released, and even a handful of inmates who managed to escape....

[Question] According to Zoran Nenezic's book "Masoni u Jugoslaviji" [The Masons in Yugoslavia], 39 Masons from Croatia were also sent to the Jasenovac Camp, but later most of them were released, and, as Djordje Milis, one of the witnesses of the death camps, has written, "the treatment of the Masons was rather mild.... They did not beat them at all, nor did they have to work, and their money was not even taken away...." Is that accurate?

[Answer] Yes, they did in a way get special treatment. But some of them were also killed.

[Question] Do you deal in your book only with the period of the war?

[Answer] All of the material presented in my book pertains to the period from June 1941 to 15 May 1945 except for a few appendices pertaining to the trials of certain Ustasha war criminals. Along with the numerous photographs, these documents, I am convinced, will make it possible for readers to learn about the most monstrous crimes known to history. Many readers will find in the book the names of those dearest to them and will learn how they lost their lives, but many will seek in vain for any trace and will not find it. The simple fact is that some of the camp inmates were not even recorded in the camp records, but were immediately eliminated at one of the places of execution.

[Question] When did the Ustashi begin to legalize the crimes?

[Answer] The Ustasha government and its branches began to do this as early as May 1941 on the basis of the principles of the Ustasha movement. That is, the Ustasha government adopted a number of decisions, orders, decrees, and instructions legalizing the Nazi-fascist method of implementing terror and genocide on a wide scale.

[Question] Would you cite some of those decisions and decrees?

[Answer] Well, one of the first was the legal order and command to round up the Jews, Gypsies, and Serbs in concentration camps. Then the order to mark

the Jews with the yellow band, and some of the Serbs with a white-and-blue band, the order concerning the drum-head trials and the traveling drum-head court, the order that Serbs and Jews were to be sent to concentration camps without due process as "undesirables," the orders and other acts on conversion of Serbs to the Catholic faith or their deportation to Serbia, the circular letter on registration of Serbs and Jews and the order that Communists who were Croats, Muslims, and other antifascists be held in prisons and camps even when there was no proof of guilt or the sentence had already expired. Of course, the culmination of all this was the instruction on treatment of persons sent to the concentration camps and the order to shoot 10 Partizans or members of their families for every Ustasha killed, 20 for a noncommissioned officer, and 50 for an officer.

In order to "implement what had been set down in law," the Ustashi immediately set up an entire system of concentration camps: "Danica" in Koprivnica, Kerestinec, Lepoglava, Gospic, Kruscica, Caprag, Lobor-grad, Sisak, Jastrebarsko, Tenje, Slano, and Djakovo, and the largest ones Jasenovac and Stara Gradiska, which had a number of execution grounds: Jadovno, Gradina, Jablanac, Ustice, Mlaka, Kozara, Krapje, Brodice, and others.

[Question] Who was in direct command of those camps?

[Answer] All the camps were under the command of the Ustasha Surveillance Department, better known by the abbreviation UNS, right up until 21 January 1943, when it was abolished, but its powers were taken over by the Chief Directorate for Public Order and Security. Within the UNS the First Bureau, or political department, issued or confirmed decisions on confinement in the camp, and the Third Bureau (Ustasha Defense) had under its own administration all concentration camps on the territory of the NDH [Independent State of Croatia]. Actually, this was the center from which the direction came for destroying men, women, and children on a racial, religious, or political basis.

[Question] Now, please describe in a bit more detail what happened in the Jasenovac "Work Camp," as it was represented by the Ustasha government.

[Answer] Jasenovac was given the title "Collection and Work Camp" in an order on remitting "unsuitable and dangerous persons" to collection and work camps and in a supplement to that order as to how the persons remitted were to be treated. However, there was no question of any work camp at all, but of a concentration camp, as in fact it was referred to even by the Ustasha security police and certain Ustasha officials in their own reports. That camp was only one in a unified system of concentration camps under command of the UNS, and in a broader sense they were a part of the system of the camps of Hitler Germany. All of them, as I have said, were under a single command, and each of them had its own organizational structure, more or less similar and with the same purpose, which was to kill as many inmates as possible in large groups and individuals in every possible way--by exhausting labor, the cold of winter, the heat of summer, thirst and hunger, as well as diseases.

[Question] Do we know how many people were killed in those very first months of 1941?

[Answer] I have not managed to arrive at precise figures. I have only established that one of the inmates committed in mid-October 1941 was given registration number 28,221 in the card file! Since only 1,500 survived the resettlement to Ciglana in January 1942, we can conclude that more than 25,500 Serbs, Jews, and Gypsies, and Communists and opponents of the Ustasha movement and the NDH regardless of nationality were murdered in that short period of time.

In any case, the first inmates were brought in freight cars to the railroad station at Jasenovac on 21 August 1941. From there they were taken to meadows near the village Brodice, on the south bank of the Strug, along the Donja Krndija forest and the Novska-Jasenovac Road. A barracks was built at that place, and there were guards and two guard towers at the entrance. All of this was surrounded by barbed wire. This entire area was swampy, and the camp had to be moved several times because of flooding. As a matter of fact, a majority were killed before and during the moves. Thus, from end September to 15 November 1941 there existed only the concentration camp near the village Krapje. When the waters soon flooded that camp as well, the inmates were moved to a new area at Ciglana (a brickyard belonging to Ozren Bacic). Only half of the 3,000 inmates in the previous camp made the move.

[Question] And there were mass atrocities carried out in the camp at Gospic?

[Answer] Indeed there were. It was Jasenovac's predecessor. It was created immediately upon proclamation of the NDH, when the Ustashi took control of the prison of the District Court in Gospic and in June 1941 began to use as a camp for confining Serbs and Jews, Communists and other antifascists. The capacity of the concentration camp at Gospic was between 2,000 and 3,000 inmates (men, women, and children). So that room could be made for new inmates, the Ustashi every day hauled the previous inmates away to the camp Slano on the island of Pag. It is estimated that about 16,000 people passed through that camp. The other inmates were bound together with chains and wire and in groups numbering between 200 and 400 they were every day taken away in the morning and afternoon to the Jadovno execution ground on Velebit and murdered.

[Question] Were the documents preserved at least about that camp?

[Answer] Unfortunately, most of the documents even about that camp were destroyed. That is why it is difficult, at least at present, to establish the precise number of victims, since the necessary research has not yet been done. According to one estimate, made in July 1942, 18,000 persons were killed there just up until 21 August 1941, while according to a statement by one Ustasha the Gospic Camp had at that time "swallowed up" 28,500 souls. The inmates who experienced its hell said in 1942 between 30,000 and 48,000 persons were killed in Gospic, and similar figures were also published in the first postwar publications. The surviving inmates kept daily records on how many of their comrades were taken away during July and August to the execution ground at Jadovno. According to their records, some 600 persons were taken away every day. On the basis of that calculation, it turns out that more than 30,000 innocent citizens were at the very least killed in that camp in those first months.

[Question] Were there any differences between Jasenovac and Stara Gradiska?

[Answer] The difference was only that at Stara Gradiska the prisoners were put in what had once been a fortress ignominiously known as the "Tower," in whose courtyard the newly built structures housing the workshops were located. In addition to that building, there was also the separate "K" quarters in whose cellars the inmates were tortured in the worst possible ways. Stara Gradiska also had its execution grounds: Mlaka, Jablanac, and the Sava River. In some of the documents and statements the camp at Stara Gradiska is also referred to as Jasenovac Camp V.

[Question] In what year were the largest number of people murdered, and where did the atrocities take place on the largest scale?

[Answer] That is another question that cannot be answered precisely, since there are no reliable sources at present from which that could be established. Estimates can only be made on the basis of the partially preserved documents of various kinds and origin. Thus, one document states that in late December 1941 there were 4,000 persons in Jasenovac, but when that camp was visited by an international commission on 6 February 1942, they found only 450 persons. Which means that in January 1942 alone 2,550 inmates were murdered. There are quite a few similar examples. According to certain figures, between 15,000 and 20,000 inmates were killed just in the period before April 1942.

I think that the atrocities were committed on the largest scale against innocent people in those camps during 1942. One thing is certain: The largest execution ground during that year was Gradina, on the Bosnian side. The mass murders at that place of execution began in early 1942, and the first such criminal action was carried out by the Ustasha Lieutenant Stanisa Vasilj, when he carried about 300 Serbs across the Sava to Gradina, where he eliminated them. From that time on, all the group and mass executions were done mainly at Gradina. That is also where a group of 8,000 peasants from Slavonia and a group of about 7,000 from Kozara and almost all the Gypsies from the NDH were also killed. Sizable groups of women and children of Jewish origin were also liquidated there, in addition to numerous Partizan families from Livno, Konjic, Prijedor, Banjaluka, and other places in Bosnia-Herzegovina.

[Question] The horrifying boast of Vjekoslav Luburic also dates from that time?

[Answer] Yes. In October 1942 he proudly stated before a group of his followers: "And thus, this year alone, we have slaughtered more people for you here in Jasenovac than done by the representatives of the Ottoman Empire during the entire time of their rule in Europe."

[Question] At the conference this summer on genocide in World War II held in the Serbian Academy of Sciences and Arts it was stated that many documents on the atrocities in Jasenovac were intentionally hidden away. Do you know where they are?

[Answer] It is not easy to get at the sources, it takes great persistence and many years of work. Favorable conditions should be created for scientific

research. I feel that no one has the right to conceal documents on the atrocities of the occupiers and quislings, nor do I believe that any of our Yugoslav or republic or regional archives nor indeed any museum is doing so intentionally. Familiar as I am with the situation in our archives, I think that it is above all a question of archives that have not been arranged and prepared for scientific processing and for the publication of that material.

[Question] Is it not a pity that material of this kind has not yet been processed?

[Answer] I agree that it is a pity. Now that 41 years have passed since the end of the war, we can no longer appeal even to the law of distance in time. But you know that it is our chronic ailment of never having the money for the national legacy of inestimable value. A considerably larger number of archive specialists would have to be employed to process just that documentation. For example, an archivist cannot process more than some 20 such documents in a day. Now just imagine how big a job that is and how long it would take just to process a few hundred thousand documents. In my opinion that is the main problem. But this does not mean that in the postwar period there have not been sensors of various kinds who have determined what was to be processed and published and what was not to be. I think that such views have been superseded and that honoring the 30-year law of distance in time, such individuals cannot use it to cover various restrictions, much less prohibitions. However, there are also archives which have processed that material.

[Question] Are those the reasons why no fundamental research was done on this type of crime until 1962?

[Answer] I do not know why you mention that particular year. Writing was done about Jasenovac earlier than that, as it was about the other camps, though certainly somewhat more modestly. And for the writing to be done, there also had to be some research....

[Question] I am thinking of demographic statistics, archeological, and similar research and the marking off of those execution grounds....

[Answer] It is true that that kind of research has not yet been done and due attention has not been paid to it. To our regret the situation is not much better even today, although considerably more is being done. Take the Belgrade Fairgrounds, for example, as well as certain other execution grounds which have been modestly marked, while some have not been marked at all, which is the case, for example, with Jablanac in the complex of the Jasenovac Camp. As to why this has not been done, you ought to ask the competent authorities with jurisdiction over those places of execution. Anyway, that is why I would not insist on the year 1962, but on the need for a different attitude toward the tragic and innocent victims who died for the homeland.

[Question] Up to now when the veil has been lifted from certain buried historical events individuals have very often come forth saying that the time has not yet come for that. What in your opinion is the reason for that kind of behavior?

[Answer] I could not speak for them, nor would I wish to. But I always ask such people who say that we should not rummage about "in our own dirty linen" why we should conceal what was done by the Nazi-fascists, the nationalists, whether they be the Ustashi, the Ballists, the Chetniks, or the White Guards, since our peoples who were victorious in the NOR and who carried out this revolution have nothing in common with them at all? Such views have nothing at all to do with the Marxist view of the world and with the policy of the League of Communists of Yugoslavia.

[Question] Do you think that proper respect has been paid to those who were executed when at their graves there is only a general marker: "Here lie the victims of fascism"?

[Answer] You are asking me more and more frequently questions that have no direct relation to my book. Nevertheless, I would like to say this: It is sad to see what once were children and who now are grown people wandering around in vain seeking the graves of their fathers and mothers, sisters and brothers out of a desire to lay a bouquet of flowers on their graves. And that grave does not exist, although the execution sites are there all around us.... There are no names, nor even any figure on how many people were killed and stuffed into those unmarked graves. They can be recognized only along the edges, which have naturally shrunk below the surface. It is a sad fact that the graves of our ancestors are neglected. We ought not to do this, if only because of these young generations, since there might be a time when they would again be called up to defend their homeland, and it is quite certain that they would do so with less love if they recall the indifference toward earlier victims. I therefore repeat: Every recognition should be paid to the victims who died for the fatherland, and they should be paid the greatest possible respect. If there is one thing in which we dare not be stingy, then it is in this.

[Question] When did you first feel the need to track down the victims of Jasenovac and to communicate a part of the historical truth about them?

[Answer] It was in 1978 when the Bureau of Urban Planning of Bosnia-Herzegovina commissioned Brana Obucina and me to prepare the historical outline for the project of fixing up the Gradina execution ground, which was one of the largest ones in Europe. At the very outset we confronted an unexpected trouble: the lack of documents. We had available to us barely some 50 original documents. The people who had studied the history of the Jasenovac camps and atrocities before we did assured us that we would have trouble finding any new documents of any significance. They even said: The most you will find is some 50 or so documents. That fact--that more lasting evidence had not been preserved about such a monstrous human hell, set me off on my own research. After several years of work I managed to gather more than 1,000 documents on the camp of Jasenovac and Stara Gradiska.

[Question] How many of those documents are you publishing in your book and who do they belong to?

[Answer] I am publishing 381 numbered documents and 9 appendices, as well as more than 100 excerpts from others which are paraphrased or quoted in their

entirety in my clarifications. More than two-thirds of these documents belong to the archives of the quislings and occupiers and the rest to the archives of the NOR. All of this has fitted into two volumes of 576 and 556 pages, illustrated with more than 100 photographs and 40 facsimiles of original documents. The sum total exceeds 600 documents.

[Question] Are there still important documents which have not been discovered about Jasenovac?

[Answer] I can say with certainty that such documents do exist in our archives all over Yugoslavia and also in archives in Europe and all over the world. After our own archives, the greatest number are in the archives of Germany, the Vatican, and the United States of America. The research on the material of the Gestapo and German police has been especially scant. I have already spoken about the documents in our archives. The main reason is the lack of processing, which also means that they are inaccessible and cannot be published.

[Question] A document can, of course, be concealed. But is it possible to conceal people's memories as well? I believe that during your work on the book you did hear accounts and receive written accounts from others. Please tell us some of those moving and probably also horrifying stories....

[Answer] In this book I am not publishing postwar recollections of camp inmates, but all types of original documents up until 15 May 1945. But even they are so shocking that I wonder even today that the human mind could have been so depraved....

Just hear how the inmate Relja Milanovic describes the death of his comrade Rade Furtula, a 22-year-old baker from near Sarajevo. He tried to escape, and he was exhausted when the Ustashi caught him, and instead of immediately executing him, as they did ordinarily, they turned him over to the camp inmates and said: "You have to kill him yourselves before morning, otherwise we will slaughter you all." It was clear to us that Furtula could not remain alive, whatever happened. Either he would die at our hands, or he and all of us would die at the hands of the Ustashi. We held counsel for a long time about what we should do. Furtula was our comrade, and no one had the strength to take his life. Finally, we decided to tie him to a post next to the bucket used for a toilet, and everyone who went to the toilet, and we did so frequently because of the liquid diet, had to hit him. There was a hoe there and an ax.... That night, Milanovic went on to relate, the light was not turned out in our barracks. Each of us with clenched teeth and sick at heart had to hit Furtula. After a time he was half dead. At one point he looked at me and said in a painful voice: "Relja, hit me a good blow so that I die as soon as possible." My eyes became clouded; out of pain and some kind of pity I took the ax and in my desperation I asked him: "Rade, are you going to forgive me?" "I will, Relja," he answered, "just hit me a good blow so that I die at once." I swung the ax and his head dropped. Well, there is a multitude of such documents with horrifying accounts.

[Question] Where do you think the greatest number of atrocities were committed, in Dachau or Jasenovac?

[Answer] The Jasenovac Camp was modeled after the Nazi camps like Dachau. It was not for nothing that Luburic went to Germany and visited the camps there all over occupied Europe, but rather in order to learn something and to bring that experience back to the Jasenovac Camp. And truly there was no essential difference between them. They were all factories for killing innocent men, women, and children. However, on behalf of the truth, it should be said that the Jasenovac Camp surpassed in its savagery and bestiality the crematoriums of Dachau and the atrocities committed there under the cover of science.

...In the manner in which the victims were mistreated in inconceivable ways, bestially neglected, the way the children and old people were treated, the way daughters were raped in front of their fathers, the way children were slaughtered and the way in which certain parts of the body were set fire to, the concentration camp of Jasenovac and Stara Gradiska surpasses anything that the most depraved and sick mind could imagine and bring about.

[Question] How were the inmates tortured and murdered in the Jasenovac Camp?

[Answer] The people have logically referred to Jasenovac and Stara Gradiska as death camps, but the names do not come close to giving a real picture of the sufferings that the Serbs, Jews, and Gypsies, Communists and all other antifascists went through. The mass murders were committed with firearms, slaughtering with knives, bayonets, and axes, the killing was done with wooden mallets, iron rods, hammers, stakes, by trampling and by drowning, and when anyone did survive that hell, which was fenced in with wire and had not a single building or shed, either closed or open, the inmates were exposed to the most horrible winter snowstorms and blizzards and the cold of -35° Celsius, and in addition they were utterly starved and in rags. Nor were the sufferings less in the summer months. In the daytime they were deprived of drinking water, and at night millions of mosquitoes gave them no peace for a moment. It was not clear whether winter or summer, day or night, hunger or thirst was more horrible, or the "innovativeness" of the beatings.

Everything pathological and criminal that was characteristic of the Ustasha movement was carried out in those camps with the greatest possible relish.... Which is why that camp remains as the most profound shame and curse in the history of the Yugoslav peoples. That bloodthirstiness and those abhorrent things surpass the horrors of Hitler's most notorious torture chambers.

[Question] Which nationalities suffered in the greatest numbers?

[Answer] The Serbs, Jews, and Gypsies were killed in the greatest numbers in the NDH. There were also quite a number of victims among the Croats, the Muslims, and other nationalities and ethnic minorities--Montenegrins, Slovenes, Hungarians, and Russians. I will quote just a few statements which can be believed. During an interrogation one of the commanding officers of the Jasenovac Camp, Miroslav Majstorovic Filipovic, said: "According to Maks Luburic, who probably kept records on the Serbs killed in the NDH, about half a million

Serbs were killed during the 4 years of the war." Another war criminal, Ljubo Milos, said that "certainly a few hundred thousand people were liquidated." As early as February 1942 members of the Ustasha government informed Edmond Glez, a German general in the NDH, that 200,000 Serbs had been killed. The German General Glez said that estimates on the Serbs killed ranged from 200,000 to 700,000, but he personally felt that the figure of about 300,000 was the most accurate. SS General Fike, on the other hand, said that between 600,000 and 700,000 people were killed in the Ustasha camps, and Aleksandar Ler, commander of the southeast, mentioned the figure of 400,000 Serbs killed in April 1943. One of the few surviving inmates has said: "If the skeletons at Jasenovac were brought back to life in freight cars to take revenge on their horrible death, 15,000 cars would pass before us, with 40 skeletons in each one, and that comes to the figure of 600,000 inmates."

[Question] To what extent has the Yugoslav public and the world public been familiarized with these monstrosities?

[Answer] Back on 10 August 1941 figures were published in a bulletin of the Supreme Command of the Partizan Detachments of Yugoslavia concerning the crimes, primarily those committed against Serbs in the NDH. And as early as 1942 AVNOJ issued a document on the atrocities entitled "The Jasenovac Camp and Testimony of Prisoners Who Escaped From the Camp." In 1944 the unified National Liberation Front of Croatia issued a little book entitled "Koncentracioni logori" [Concentration Camps]. During the war the Partizan press and the press on liberated territory BORBA and POLITIKA recorded numerous atrocities committed by the Ustashi in the Jasenovac and Stara Gradiska Camps. Most of those articles will also appear in my book.

In any case, the world public was informed by way of the Comintern on 17 August 1941 about the atrocities at the Glina Church, when the Ustasha Major Vidakovic ordered 700 inhabitants to be butchered. Six days later the Comintern received a telegram on the slaughter of women and children near Prijedor. Bishop Grizogono of Zemun wrote a public and open letter to Alojzije Stepinac, and Krnjevic, vice president of the Croatian Peasant Party and vice premier of the Royal Government in London, joined Vilder, representative of the Independent Democratic Party, in informing the world public over the BBC on 16 November 1942 about the Ustasha atrocities and the forcible conversion of the Orthodox inhabitants in the NDH. In 1944 Radio London reported to the world and made it public that Stepinac had used his name and reputation to protect the German occupier and the Ustashi.

[Question] Is it true that Alojzije Stepinac undertook to preserve the Ustasha archives and national treasure when the Ustashi abandoned Zagreb?

[Answer] Yes, he did do that, there is a document which he signed at the time.

[Question] You yourself have demonstrated in your various citations the extent to which differing figures have been used in the discussions so far concerning these tragic totals. Some historians, Franjo Tudjman, for example, have said that there were no more than between 50,000 and 60,000 victims. What did you ascertain during your work on the book?

[Answer] I offer figures in my book which cannot be found in the documents presented. And as you yourself have noted, they are rather contradictory. However, the Jasenovac victims demand that they be spoken of with dignity, but instead discussions are taking place which are unworthy of those victims. Nationalists, chauvinists, and criminal extremists forbid "in the name of historical truth" stating that there were more than 50,000 who were killed... mainly Croats. At the same time, individuals among the Serbs, likewise with an extremist nationalistic outlook, do not allow any figure below a million who were slaughtered, all of them Serbs. And both stories deny that the crime is what it is. The coldblooded and calculated murder of just one innocent father, just one innocent mother, son, or daughter, "carried out" in the Jasenovac manner, is a heinous crime.

I attempted in my book to make all the available facts known to the readers, but that is only part of the other side of the coin. The real situation can be established only if other scientific methods are used as well: the methods of demographic statistics, anthropology, archeology, and forensic medicine, and, along with the subsequent census, a gathering of recollections of surviving inmates as well.

In conclusion, I would still like to say that according to the publications and scientific papers published to date on the topic of Jasenovac and Stara Gradiska Concentration Camps the number of victims in most cases is estimated at about 700,000 (in Jasenovac) and 80,000 (in Stara Gradiska). Time and scholarship will ultimately have its say, since many institutions and individuals have been working on this recently.

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CSO: 2800/170

POLITICS

YUGOSLAVIA

CONTROVERSIAL BOOK BY DJURETIC DISCUSSED BY HISTORIANS

[Editorial Report] Belgrade POLITIKA in Serbo-Croatian carries daily installments 11-18 January 1986, on its pages devoted to cultural matters, of an "authorized summary" of a historians' discussion 30 October 1985 of the controversial work by Veselin Djuretic, "Saveznici i jugoslovenska ratna drama" (The Allies and Yugoslavia's Wartime Drama). The work has been vigorously criticized for its alleged attempt to debunk partisan (communist party) mythology about wartime events and to rehabilitate the image of one of the losing sides in the parallel civil war, the Serbian Chetnik guerrillas under the nominal command of Dragoljub-Draza Mihailovic.

The series rehashes all the arguments against Djuretic that had been aired in public media. Djuretic is accused of views that are startling in a Yugoslav context, such as:

1. Serbs did not domineer in prewar Yugoslavia, and Croatia and Slovenia were on top in the economic sphere, having started out from a stronger base.
2. The British Government was tricked and outsmarted in 1942 by a Comintern-directed propaganda and disinformation campaign to advance the partisan cause and to discredit the royal emigre Yugoslav government and the Chetnik movement.
3. Chetnik commanders displayed a range of behaviors, such understandable in the light of personal predilections and local situations, with a view to survival.
4. The self-styled national liberation movement, the partisan cause to which Djuretic often refers as "the communists," built its future on the sacrifices of the victims of its policies.

What is striking about the series is not so much this material, which has become familiar from critiques and political speeches, but the seeming effort to avoid politicizing the dispute. Historian Branko Petranovic goes out of his way to treat Djuretic respectfully, addressing him repeatedly as "colleague," consistently speaking to him in the familiar second-person-singular verb forms, and distancing himself from political condemnations. The rebuttal from Djuretic is presented verbatim and at such length, without interpolations, as to suggest the concept of "equal time."

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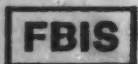
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East Europe Report



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1 April 1986

EAST EUROPE REPORT

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FRG STUDY CITES GDR CEREAL GRAIN PRODUCTION, USAGE SINCE 1970

West Berlin FS ANALYSEN in German No 2-1985 (signed to press August 1985)
pp 1-48

[Report by Karl Hohmann for the Research Institute for Inner-German
Economic and Social Issues: "Preparation and Usage of Cereal Grain
in the GDR after 1970"]

[Text] Contents:

1. Introduction
2. Structure Changes in Soil Usage
3. Cereal Grain Supply and Its Usage in the GDR
 - 3.1 Acreages and Yield Development
 - 3.2 Development and Structure of Grain Imports
 - 3.3 Demand and Supply of Food Grain
 - 3.3.1 Grain Demand for Flour and Food Products Production
 - 3.3.2 Grain Demand for Beer and Spirits Production
 - 3.3.3 Demand for Seed Grain
 - 3.4 Degree of Self-Supply of Food Grain

Production and usage of cereals in the GDR since 1970

Summary

The relationship between the area of the different plants produced on the arable land and the relationship between arable land and grassland (meadows and pasture) has changed visibly since the introduction of industrial production methods in the GDR. Since the end of the 70's this has taken the form of a partial reversal of previous tendencies. At the beginning of the 80's the SED leadership defined the raising of the yield per hectare in cereals and feed production as one of the central problems to tackle. Last not least this was due to the GDR's debt problem at the time. The GDR had to cut down its rapidly increased dependency on the capitalist world market (in particular the USA) with its attendant consumption of foreign exchange that had occurred after the Soviet Union had stopped delivering cereals.

Although the 1981-85 Five-Year Plan's intended increase in area used for cereal cultivation was certainly not achieved, the GDR's cereal production was raised by a not inconsiderable amount thanks to higher yields per hectare. The supply of food cereals (brewing barley; wheat and rye) of adequate quality is nevertheless clearly still causing problems. As a result of rising beer consumption, increasing use of cereals in the production of spirits and the again-ascending use of wheat and rye for such things as "low-cost" bread and other subsidised foodstuffs (which are in turn used as fodder by the small individual livestock holders), the demand for food cereals (including grain and deliveries made by the GDR to the Federal Republic) rose from around 2.85 million tons to around 3.14 million tons between 1970 and 1983. Even without taking the amounts delivered by the GDR to the Federal Republic into account, the GDR never reached to cover its demand for wheat, rye and indeed for all cereals from its own production during the period listed above. It therefore had to use inferior quality cereals, (cereals which did not come up to its own standards) or had to import the amounts of food cereals needed.

As a result of the increase in livestock in the GDR since the beginning of the 70's (in particular pigs and poultry), the amount of feed cereals available at the beginning of the 80's was no higher per livestock unit than in the years 1972-1974. Therefore the aimed increases in productivity of livestock were restricted right from the beginning. The statistically available very high amounts of feed cereals in the years 1980 (beginning of the US cereal embargo against the USSR) and 1983 cannot be explained by low volumes of root, vegetable and fodder crops, as was the case in 1976. This could mean that not all the statistically available cereals were consumed in the GDR alone in these years, but were instead exported.

1. Introduction

Through the industrialization of agriculture that was initiated by the 7th SED Party Congress (1967) and enforced after the 8th SED Party Congress (1971) the SED hoped to achieve not only a higher degree of profitability in agricultural production in the GDR and a better balance in working and living conditions between city and country (and also between the status of collective farmers and farm workers), but also especially higher production and productivity in this sector of the national economy. Through the utilization of scientific-technical progress (intensification, breeding, mechanization, chemicalization) the goal of a maximum degree of supplying the country with its own food supplies and agricultural raw materials was finally to have been reached. The change in the ratio between arable and cultivated land in the available agricultural acreage (LN) in combination with the intensification factor was to make it possible to attain the planned expansion of livestock and the increase in livestock production, at least without additional feed imports. After approximately 15 years of industrialized agricultural production it thus seems appropriate to investigate how and by what means the set goals were achieved.

2. Structure Changes in Soil Usage

Beginning in 1970 pasture land, which between 1960 and 1970 had still increased by approximately 100 000 ha (hectar) to 1.469 million ha (23.4 percent of the LN), was gradually changed over into arable land. Until 1980, however, pasture land again decreased by approximately 230 000 ha to 1.235 million ha (19.7 percent of the LN)--to its lowest size since the establishment of the GDR (see Table 1). In contrast, in spite of an overall decrease in the size of agricultural land in this period--the acreage used for arable land, which between 1960 and 1970 had decreased by almost 230 000 ha to 4,618 million ha (73.5 percent of the LN), grew between 1970 and 1978 to 4.776 million ha (76 percent of the LN) and this process has been reversed only since 1978. In the 70's there were also considerable changes in the ratio of arable land usage.¹ Whereas the production of market fruits on arable land was expanded between 1970 and 1976 by approximately 270 000 ha at the expense of feed crop production (see Table 2), the production of feed crops was once again expanded after 1976 by approximately 140 000 ha at the expense of market fruits production. Obviously the SED's first reaction to the discontinuation in 1975 of Soviet grain shipments to the GDR was to change the usage structure of agricultural land (increase of feed production) in order to decrease dependence on foreign imports for feed supply for the growing livestock -- a reasonable measure considering the higher hectar yields in feed production compared to the yield from pasture land. But the necessity to use energy and agricultural raw materials sparingly, brought about by the debt and energy problems in the beginning of the 80's, resulted once again in intensified utilization (and expansion) of the LN used for pasture land. The acreage under "other use" in Table 1 includes primarily the land used for fruit and vegetable production that was expanded in the 70's (inside and outside of socialist agricultural enterprises) as well as

acreage where crops were not harvested² and the unused so-called remainder and splinter acreages. The decrease by more than 40 000 ha since 1979 is in no way to be explained by a reduction of fruit and vegetable production, but rather reflects the results of efforts initiated by the SED in 1980 to guarantee complete utilization of every square meter of agricultural land with the help of Workers and Farmers Inspections (ABI).³

The amount of 40 000 ha corresponds somewhat to the acreage increases after 1979 in feed production and pasture land usage. This even suggests the conclusion that after 1979 there was no further basic change in the usage structure of LN, such as it took place, without doubt, in the second half of the 70's, and that the statistically explained changes after 1979 are solely the result of the utilization of remainder and splinter acreages that had not been utilized to this point. It must be assumed, however, that both components (change of acreages and utilization of previously unused acreages) were equally involved in this process. In regard to the utilization structure of permanent pasture land (Table 2) it is important to note that pasture land utilization was decreased between 1970 and 1979, relatively and absolutely speaking, more strongly (by 140 000 ha or 21.3 percent) than the utilization of this land as meadows (by 100 000 ha or 15.1 percent). This development is closely related to the new construction of industrial plants for livestock production and, especially, milk production which originally involved exclusively year-round stabling of animals. The reduction in fuel supplies for agriculture then led, besides the transition to a territorial organization of plant production enterprises, also to a "rediscovery" of pasturing cows and young cattle. Since then pasture land has again been expanded by more than 70 000 ha (while at the same time permanent meadow land was reduced). This means that within 5 years the ratio between meadows and pastures has almost been reversed. The goal of the current 5-year plan, to expand pasture land by at least 120 000 ha (to 660 000 ha),⁴ will be hard to reach in spite of the extensive changes between meadows and pastures that took place after 1979. The 641 300 pasture land⁵ aimed for in 1983 fell short by far with an actual amount of pasture land of 595 000 ha.

The increase in hay fields, meadows and remainder or splinter acreage (including not harvested meadows) listed in Table 2 as "other acreage", can only be explained by the fact that, due to the increase after 1976 of sheep livestock by more than 500 000 head, meadows with poor yields were turned into fields and that over the last years the utilization of splinter acreage which had been neglected or not cultivated at all was increased. In regard to the development of the production of different market fruits on arable land (Table 3) changes have taken place that are in part clear will now be briefly described in the following paragraphs.

- a. The increase in grain production, enforced in the 70's, by approximately 256 000 ha to the so far greatest extent of 2,543 million ha in 1978, was not continued in the years after 1980. The goal to increase grain acreage in the current 5-year plan by 120 000 ha must therefore be considered hardly attainable.⁶

- b. The production of oil fruits (winter raps) that was noted in the first half of the 70's was not continued after 1975. Harvest acreage here fluctuated little, around 135 000 ha, until 1983.
- c. The production of husk fruits (food and feed husk fruits), which took place at the beginning of the 70's (1971 and 1972) on more than 60 000 ha, was reduced after 1972 to approximately 50 000 ha and was slightly expanded again only after 1981.
- d. There has been a tendency to reduce the production of sugar beets which had been expanded to almost 80 000 ha between 1970 and 1977.
- e. The production of potatoes was continuously decreased during the entire observation period and fell in 1983 for the first time to below 500 000 ha (in 1970 still 667 000 ha).

3. Cereal Grain Supply and Its Usage in the GDR

3.1. Acreages and Yield Development

Because of the clear increase in grain production in the first half of the 70's, its share in acreage usage has risen from 49.5 percent (1970) to 53.5 percent (1975) and has since then stabilized on this level. Whereas the development in grain production on the whole has been relatively steady in the production of winter and summer wheat (increase and/or decrease), the development of harvest acreage for individual grain species shows, in part, noteworthy changes during the observation period.

Wheat acreage, e.g.⁷ was increased between 1970 and 1976 from barely 600 000 ha to more than 760 000 ha, but then was reduced again until 1980 to approximately 700 000 ha, and has in 1983 and 1984 risen once again to 750 000 ha. The completely opposite development took place in rye production⁸. A decrease of approximately 90 000 ha in the years 1970 (680 400 ha) to 1975 (593 000 ha) was succeeded by a continuous increase to more than 700 000 ha in 1983 and 1984. The absolutely and relatively strongest acreage increase took place in the production of winter barley which from 1970 to 1978 increased by approximately 255 000 ha (i.e. by almost 80 percent) but has since seen a moderate decrease.

The development in the production of summer barley (brewing barley) is similar to that of wheat production. A clear increase in the years 1970 to 1975 (from 320 000 ha to 487 000 ha) was succeeded by a continuous decrease of cultivated acreage toward the starting level of 1970, and this decrease was in part caused by the breakdown of mildew resistance in the standard species "Trumpf". The only exception (and this is true also for oat production) is the harvest year 1982 when, because of winter damages to winter barley (more than 150 000 ha) and to winter wheat and winter rye (almost 150 000 ha), the production of summer barley was increased to 565 000 ha, to an extent never

attained before. Almost the same goes for the 1982 production of summer wheat (62 000 ha) and summer rye (20 000 ha) and oats (218 000 ha), which, after a decrease by more than 100 000 in the years 1972 to 1979, shows once again increase tendencies in the 80's. Production of summer grain was limited, already in the first half of the 70's, to approximately one-tenth of its original amount and has since then--like the production of corn--hardly been of importance.

As Table 4 shows, there have been clear changes in grain production if one compares the averages of the years 1981 and 1983 (1982 was disregarded because of special factors already mentioned, just as 1984 was disregarded because of the totally extreme yields) with the average yields of 1970 to 1972. Winter grain acreage was increased by approximately 21 percent, the cultivated summer grain acreage was reduced by approximately 18 percent. The main reason for the increase in winter grain acreage is the expansion of winter barley production whereas the reduction of summer grain production is due primarily to the decrease in acreage with summer grain and oats.

Table 4 shows that during the observation period there was a more or less obvious increase in grain yields of all kinds due to new kinds of grain, a higher degree of fertilizer application and improved crop protection. At the head of the increase in hectar yields are wheat (plus 7.1 decatons) and winter barley (plus 5.3 dt), followed by rye (plus 2.5 dt) and summer barley (plus 1.9 dt). The yield level shows that wheat is superior to all other kinds of grain whereas rye (in conjunction with summer grain mixtures) can be found at the end of the yield scale and has only in 3 years (1974, 1982 and 1984) surpassed the amount of 30 dt/ha.

In conjunction with the development of harvest acreage and hectar yields, and also with the change in species structure, harvest yields for grain rose during the observation period by approximately 25 percent and in 1982, for the first time, surpassed the total amount of 10 million tons. This is due primarily to the doubling of the winter barley harvest. Meanwhile, winter barley has pushed rye, which in the 70's was the second largest grain species, into third place. This means that summer barley has caused barley to be the dominant grain species in the GDR with a total yield of almost 40 percent of the grain harvested in the GDR, and has thereby pushed wheat into second place, which in the beginning of the 70's was still the dominant grain species.

3.2. Development and Structure of Grain Imports

With his statement at the 3rd SED Central Committee meeting (1981) that for the GDR "the grain problem is entirely comparable in rank to the oil problem" and that the achievement of clearly higher hectar and total amounts in grain and feed production touches the vital interests of the GDR,⁹ Honecker himself pointed out that in spite of the achieved production increases the basic task of GDR agriculture

has not been accomplished. Because of the increasing per capita consumption, especially of high quality (refined) food products, the degree of domestic supply in the food sector is today--approximately 15 years after the start of "industrialization" of GDR agriculture--by no means higher than in the 60's. The self-sufficiency in the food sector, planned since the founding of the GDR, has thus proven to be unattainable to this date. Even though the GDR has with approximately 0.37 ha of LN per inhabitant almost twice as much acreage available as the FRG, its total degree of domestic self-sufficiency is only slightly higher.

Because of the increase in livestock that occurred after 1974 parallel to a generally stagnating level of total crop production, import dependence of livestock production has even increased rather than decreased. Thus, between 1976 and 1980, an annual average of approximately 500 000 tons more grain was imported than the average of the previous 5-year plan period. Even if 1976 is disregarded because of special climate conditions, the average annual increase still amounts to approximately 250 000 tons.

Among the important kinds of grain (without rice) there has been in the 70's a clear changeover to corn import (see Table 5). Wheat, which from 1970 to 1973 was with an average of 1.9 million tons per year still the dominant kind of grain (approximately 60 percent of all grain imports), has more and more lost in importance (1978-1981: 690 000 tons annually or 20 percent of grain imports). Parallel to this, the amount of imported corn rose from 790 000 tons per year (1970 to 1973) to 1.85 million tons per year (1978 to 1981), or the share of corn in grain imports from 24 percent to 52 percent. There are very great fluctuations in the import amounts of barley (brewing and feed barley) and also for other kinds of grain (rye, oats, sorghum and such) that are not given in GDR statistics and are of importance only in certain specific years.

These developments were also influenced, at least in part, by the GDR's grain import opportunities. Changes among the supplier countries also caused additional grain problems for the GDR in the 70's. Thus, the GDR could after 1975 (see Table 6), with the exception of 1977 and 1979, import hardly any significant amounts of grain from the USSR which had still covered, in the years 1970 to 1975, approximately 40 percent of GDR grain imports.¹⁰ This is obviously (besides the expansion of wheat production in the GDR) the reason for the strong reduction of total wheat imports. After all, in the years 1970 to 1975 70 percent of GDR wheat imports came from the USSR and constituted at that time approximately 90 percent of USSR grain exports.

Instead, the GDR was forced after 1975 (Table 6) to cover its growing grain import needs almost exclusively from the world market against hard currency. The world market price for corn, lower than the world market price for wheat, and the possibility to import corn from the USA, whose share in the total grain imports of the GDR from the world

market rose from 35 percent (before 1975) to about 60 percent (1976-1981), are probably responsible for the effected change between corn and wheat. The reorientation in grain imports, enforced by the discontinuation of the USSR as grain supplier, has contributed decisively to the increase and the high level, attained in 1981, of GDR indebtedness to the West, and also especially to the trade deficit of about \$ 2.5 billion accumulated toward the USA up to 1981.¹¹ The grain imported by the GDR from the USA in the years 1970 to 1981 amounts, after all, to approximately \$ 2.2 billion.¹² In addition, there is approximately \$ 0.6 billion for imports of oil cakes and oil seeds from the USA.¹³ Assuming that the GDR had paid for all grain imports from the world marked the same prices as for its imports from the USA, the amount of \$ 3.8 billion for the total grain imports in the years 1970 to 1981 corresponds to the 35 percent of GDR hard currency indebtedness, accumulated in 1981, toward Western banks and suppliers (without the accumulated passive balances in the IDH). If the protein feeders imported during this period are included, indebtedness amounts to about \$ 5.6 billion or 50 percent of the hard currency indebtedness.

From this point of view it is only too understandable that the increase in the degree of grain self-sufficiency, i.e. the reduction of feed grain imports, was also given absolute priority by the SED in the current 5-year plan. The solution of this problem was even defined as "of strategic importance" in the 5-year plan 1981-1985.¹⁴ The original goal (reduction of grain imports until 1985 by 1 million tons compared to 1980)¹⁵ was apparently even further raised after the GDR was granted hardly any more credit in the wake of Polish and Romanian payment difficulties. As Helmut Semmelmann, assistant director of the agricultural department of the SED Central Committee, explained in the beginning of 1982, the problem for GDR agriculture now is "to move away step by step from grain and feed imports, and that more quickly than had been originally planned."¹⁶ Therefore, in 1982 already, "grain imports are to be reduced by at least 1 million tons and until 1985 by more than 2 million tons."¹⁷

As Table 5 shows, grain imports were decreased in 1982, because of a very good domestic harvest (for the first time 10 million tons of grain) and an extremely restrictive import policy, by almost 2 million tons compared with the 1980 level. The more incomprehensible it is at first that in 1983--even though the grain harvest amounted again to more than 10 million tons--grain imports rose by almost 1.3 million tons and, with almost 3.8 million tons, were the third highest import amounts ever since the existence of the GDR. The production deficiencies in 1983 for hoed crops (potatoes, sugar beets) that are important for GDR pork production can at best explain half of this increase. The use of at least 0.6 to 0.7 million tons of imported grain cannot be clearly explained. It seems possible that these imports were used to replenish grain reserves that were perhaps reduced in 1982, and also that they were shipped "in transit" to other RGW countries (USSR, Poland).

It is possible that the large share of wheat in imports can be seen as a sign that this grain was shipped to the USSR (about half of Soviet grain imports consist of grain), but the main cause for the change in grain species can probably be seen mainly in the change that took place in principle supply countries that began again in 1983. Thus, Canada, which in 1982/1983 had sent approximately 310 000 tons of wheat and 600 000 tons of barley to the GDR,¹⁸ became the most important supplier for the GDR after the conclusion of a 3-year supply agreement, and took over first place from the USA which had held this position uncontestedly between 1975 and 1982. In the beginning of 1984, a supply agreement was also concluded with Austria which provides for an annual import of 350 000 tons of grain for the years 1984-1986.¹⁹ In the years 1982/83 the GDR had already imported from Austria approximately 285 000 tons of grain (mostly milling wheat).²⁰

None of the two countries, however, is in a position to export a significant amount of corn. In spite of higher world market prices for wheat, credit conditions of these two countries to the GDR were evidently so favorable that for the GDR the assured import of more expensive Canadian and Austrian wheat and barley was still more advantageous than the import of U.S. corn. From this point of view the amendment of the apparently decisive factor of credit conditions (payment goals!) should be added to the explanation of the director of the Institute for Grain Trade²¹ that the GDR imports its grain "under full utilization of given price advantages, and that means that for several years now it has been possible to buy 4 tons of yellow corn for the price of 3 tons of soft wheat."²²

It is well known that the GDR, in order to save hard currency, bought approximately 230 000 tons of grain for each of the years 1982 and 1983 in inner-German trade--in spite of the considerably higher EC grain price levels. Last not least, a decisive reason for diversifying grain imports at the expense of imports from the USA may have been the GDR's effort to keep its annual trade balance deficits with the USA within limits. The exchange of these two grain species within the context of GDR imports can hardly be explained with the development of world market prices for wheat and corn (regardless of the fact that the USA is the world's largest wheat exporter).

As Table 7 shows, the total available amount of grain for the GDR (including imports) grew between 1970 and 1974 from approximately 10 million tons to approximately 12.5 million tons and has since then fluctuated more or less strongly around this amount, whereby only the years 1980 and 1983 stepped clearly out of context with almost 14 million tons,²³ and not considering the 13.2 million tons of grain for which the "bad harvest" of the drought of 1976 could be considered exclusively responsible. As far as the available amount of individual grain species is concerned (including the amount made available through imports), barley (both summer and winter barley) has taken over first place from wheat after 1976.

Except for several exceptional years (1970: 34.7 percent; 1976: 37.9 percent; 1982: 19.9 percent) approximately 25 percent of the grain available in the GDR for processing and feeding and also for export to other countries (including shipments in the IDH) comes from imports. Whereas (insignificant) rye imports occurred only in specific years and, as a rule, not because of poor domestic harvest yields, wheat import is still of importance for the GDR today. This is connected, as is also in the FRG, with the import of hard wheat for the production of dough products and ground wheat, but also with the import of wheat mixes for the production of baked goods and breads. After the total share of imports, which in 1970 had amounted to almost 50 percent, had decreased by 1980 to about 13 percent, wheat imports have since then shown tendencies to increase. In regard to the composition of wheat imports (food wheat and feed wheat), evaluations must start with the fact that after 1975 at the latest feed wheat was dominant over food wheat (milling and baking wheat). The GDR which at the beginning of the 70's did not have its own brand of quality food wheat had at that time expanded domestic production of food wheat by the enforced cultivation of Soviet baking wheat species (mironovskaja, iljitschovaka) and by growing its own brand "alcedo" which was licensed in 1974. It is alleged that since 1977 food wheat species are grown on more than 80 percent, and since 1980 even on more than 90 percent, of the GDR wheat acreage.²⁴ In the last 5 years wheat assortments have been expanded by the GDR brands "compal", "arkos", "taras" and "rinaldo", the CSSR brand "regina" and the joint GDR/USSR brand "miras".²⁵

For the strongly fluctuating import amounts in barley (brewing and feed barley) import shares of more than 20 percent are shown in only four of the 15 observation years. With the exception of 1979, here too no direct relationship to domestic production can be found.

The import shares in the supply of other (feed) grain species, which rose from approximately 31 percent (1970) to, at times, more than 70 percent (1976 and 1979-1981), are a result of production restrictions for oats and summer grain and also especially of the high share of corn in grain imports between 1975 and 1982. As the year 1983 shows, however, these other feed grain species are at any time exchangeable for other grain species (feed barley or feed wheat).

3.3 Demand and Supply of Food Grain

In the GDR all grain is called food grain "that according to its usage is processed into end products that serve human nutrition,"²⁶ i.e. grain on which by processing businesses (mills, baked goods industry, brewing industry, spirits industry and others) certain minimum demands are made because of processing technology requirements. These demands are established as GDR standards in TGL (technical norms, goods directives and supply conditions).²⁷ In addition choosing the right species and observing optimal seeding times as well as processing and fertilizing methods, H. Jacobi, director of the Institute for Grain Production (since 1985 "VEB Scientific-Technical-Economic Center of

the Grain Processing Industry") considers it necessary to point out that for harvesting, drying and storing the amounts planned for food grain consistent measures are necessary in order to increase the supply of food grain from domestic production and to improve its quality.²⁸ This involves, among other things, the pre-inspection (2 to 4 weeks before harvesting) of the acreage planned for food grain production, the selection of the optimal ripening stage for threshing (which should "take place if possible at humidity levels below 20 percent") and also the recording, according to species, appropriate drying ("food grain does not belong into a clothes dryer.") and storing of the harvested food grain in solid storage rooms.²⁹

For flour production alone approximately 1.3 tons milling wheat and 620 000 tons milling rye are said to be prepared annually (1980 status). In addition "a significant part of the grain is said to be necessary for the production of beer and spirits," and for this purpose are needed "approximately 3 million tons of wheat, rye, barley and oats for the all-round supply with food grain of all users."³⁰ Because usage of flour and food supplies has risen continuously since 1978, and because it is assumed that this increase must have been caused less by increasing usage of grain products for human nutrition than by feeding bread, baked goods and oat meal to individual livestock that have again increased since 1977 (see: Karl Hohmann: "Development and Importance of Private Agricultural Products in the GDR," FS-Analyses, vol 3/1984), the 1984 demand for food grain will amount to a total of 3,115 million tons (1.4 million tons food wheat, 900 000 tons food rye, 700 000 tons brewing barley, 40 000 food barley and 75 000 food oats). Of this amount approximately 2.8 million tons are to be considered as the "amount of minimum supply for the food industry."³¹ It is not clear what the term "amount of minimum supply" means. It probably means the demands for domestic supply, i.e. without exports and GDR shipments of grain and grain products within the IDH. In 1984 (see table 8) in fact GDR grain shipments in the IDH corresponded, with approximately 313 000 tons, to the difference between "amount of minimum supply" and total demand. (The shipments of grain products within the IDH are, just as GDR exports of grain and grain products, so insignificant that they shall remain unmentioned.³²

3.3.1 Grain Demand for Flour and Food Products Production

As Table 9 shows, the consumption of rye flour in the GDR decreased in the 70's by approximately 160 000 tons (about 24 percent), while the consumption of wheat flour rose, and reached its lowest level in the years 1978 to 1981 with approximately 530 000 tons. Since 1982, however, the consumption of rye flour shows again a clear increase--a direct result of the SED decision to mix rye flour with wheat flour in order to decrease baking and milling wheat demands of the baking goods industry.³³ The same goal--reducing milling wheat demands--has the planned increase of wheat milling results from 75 percent, at the end of the 70's and beginning of the 80's, to approximately 80 percent in 1985.³⁴

The total consumption of flour and food supplies in the GDR has increased strongly (i.e. by approximately 80 000 tons) after a decrease by 5 percent (approximately 80 000 tons) in the years 1970 to 1978. The probably most important reason for this (usage of bread and other foods for livestock feed) has already been mentioned above.

Table 9 also shows that the industrial production of flour and food supplied (including rice) amounts to only between 88.2 percent (1970) and 93.0 percent (1981) of domestic consumption. Provided that these data of the GDR STATISTICAL YEARBOOK are correct, at least 7 percent of the flour and food supplies consumed in the country is either imported in addition to the already mentioned, insignificant, shipments within IDH (no data are however available on this) or they were produced in the GDR outside the "industrial" sector. The development--especially the abrupt decrease in 1973/74--indicates that these amounts are produced outside the "industrial" processing, i.e. they comprise the production share of mills still in private ownership. However, this share would have to be expanded, if need be, by the amounts of flour and food supplies exported or shipped from the GDR within IDH.

How little reliable, however, the predictions of this kind based on available GDR statistics can be, is shown not only by the fact that in 1975, according to data published in the GDR trade journal FOOD INDUSTRY, the GDR population consumed 108 000 tons of food,³⁵ whereas the data given in the STATISTICAL YEARBOOK can account for at best 93 000 tons for this year. In this connection there is a development that appears almost grotesque in regard to the supply of rice, which must be imported exclusively and is said to be used not only as food item but also, with sugar and raw barley, for beer production.³⁶ As table 10 shows, the GDR imported, primarily from Egypt and China, from 1976 to 1980 annually approximately 12 000 tons more of primarily unprocessed rice than the population consumed. If processing losses (husking, polishing) are deducted³⁷ between 4 400 and 5 000 tons could have been annually for beer production. The "miraculous increase" of imported rice that happened after 1981--at least 4 000 tons (1982) or 9 000 tons (1982) [as published] less rice was imported than was consumed by the population as processed rice--can be explained neither by the depletion of storage supplies that might have been available nor by the "notorious" substitutions with domestic raw materials, as is done in part for "sucalle" (substitution with candied green tomatoes)³⁸ and for pepper for domestic consumption (substitution with a mixture of dried and ground basilicum, coriander and estragon).³⁹

In spite of statistican questionmarks of this kind, an attempt will be made subsequently to work out a balance between production and demand of food grain in the GDR, which will permit making statements about the degree of domestic supply with food grain.

As Table 11 shows, the demand for milled rye that at the beginning of the 70's amounted to more than 800 000 tons per year decreased to approximately 630 000 tons per year from 1978 to 1981. Because there were no representative milling results for rye milling, calculations were based on 84.5 percent milling results (equal to the norm for industrial mills during the production of rye, flour, grade I).⁴⁰ The calculation factor of .875 given by Jacobi (equal to 85.7 percent milling results) seems unrealistic.⁴¹

For determining milling wheat demands, milling results of 75 percent (norm for industrial mills: category 1: 72 percent, category 2: 77 percent)⁴² even though other amounts are known from individual mills.⁴³ The calculations of grain demands for food supply production started with the assumption that in each case 40 percent are produced on the basis of oats and rice, and 20 percent on the basis of barley. "Usage rates" were assumed to be 70 percent (oat flakes), 80 percent (processed rice) and 50 percent (cooking barley processing).⁴⁴

2.2 Grain Demand for Beer and Spirits Production

For calculating the demand for brewing barley it was assumed that for the GDR average from 1 ton of brewing barley about 780 kg brewing malt can be produced from which in turn 50 hl (hectoliter) of beer can be brewed.⁴⁵ This amount seems reasonable in view of the requirement of 833 kg malt for 50 hl beer⁴⁶ submitted by a small village brewery attached to the VdgB in Helling, Suhl Bezirk, (in the "Heldburger Unterland" and in the "Grabfeld" 27 communities still have brewing rights today).

In the 70's the GDR shipped annually within IDH 5 000 tons more to the FRG than the GDR itself imported from the CSSR, and the GDR was thus a "net exporter" of brewing malt. After imports from the CSSR decreased to 2 900 tons in 1981 (they amounted to 15 200 tons in 1970 and were constant at 5 000 tons annually between 1971 and 1980),⁴⁷ no data are available for subsequent years. Therefore a "net export" of 8 000 tons per year was assumed after 1981.

On the basis of the increase of domestic beer production during the observation period from 16.6 million hl in 1970 to 25.3 million hl in 1984 (without counting the production in the above mentioned "village breweries"), the calculated demand for brewing barley has grown by almost 200 000 tons to over 500 000 tons in the years 1983/84. This has had the result that the total "demand" of grain for food and brewing purposes (without rice and without the grain used for spirits production) has grown almost continuously and has meanwhile reached almost 2.6 million tons. In this process the proportion of brewing barley grew from almost 14 percent to approximately 20 percent (1984).

There are considerable problems especially for brewing barley in regard to observing the required quality parameter. Special problems have occurred with respect to the high whole grain proportion and low protein content. As a result of the increased use of mineral nitrogen

in GDR agriculture, which increased by the end of the 70's to approximately 120 kg N/ha LN, while at the same time the use of organic nitrogen fertilizer also increased (because of a growth in livestock), the protein content of brewing barley bought by agricultural enterprises rose incessantly. Whereas the protein content in the years 1970 to 1972 was still approximately 11.3 percent at annual average and the whole grain proportion (2.5 mm sieve) 85 percent,⁴⁸ the amounts for the annual averages of 1977-1979: 11 percent raw protein and only a 75 percent whole grain proportion.⁴⁹ In order to guarantee an at least quantitatively sufficient supply of brewing barley, special regulations had to be passed again and again so that summer barley with, in part, more than 12.5 percent raw protein and whole grain proportions of less than 70 percent could be "redefined" as brewing barley.⁵⁰ Twelve percent of the "brewing barley-raw material" bought up in the years 1981-1984 showed protein contents of approximately 36 percent and 15 percent of it had a whole grain proportion of below 69 percent.⁵¹

As has already been mentioned, a "significant part of grain" in the GDR is used for the production of spirits in order to meet, as much as possible from domestic supplies, the growing per capita consumption of spirits that has risen from 6.6 liter to 14.4 liter between 1970 and 1983. However, the GDR does not publish data on the extent of grain used by the spirits industry and the distilleries. It seems certain nevertheless that grain provides meanwhile the "chief raw material for the production of fermentation alcohol" and that the "production of raw spirits and spirit rectifier from grain" has steadily increased in the 70's.⁵²

Other raw materials of some significance are potatoes--besides molasses and conifer sulfite black liquors. In the middle of the 70's there were in the GDR five distilleries (Wittenberg, Dessau, Berlin, Nordhausen, Wilthe) that produced their own raw spirits and also processed raw spirits from industrial and agricultural distilleries into "primasprit."⁵³

Because of the lack of available data on the usage of raw materials (especially the usage of grain) for spirits production in the GDR, the following basic assumptions are made for calculating the amounts of grain required:

- a. According to PRESSEINFORMATIONEN there were in the beginning of the 80's in the GDR approximately 550 000 t of grain waste products left over from spirits production.⁵⁴
- b. For each hl ethanol waste products of approximately 14 hl can be calculated (at a dry substance content of 7-10 percent).⁵⁵
- c. The alcohol content of spirits consumed in the GDR, which is to be calculated according to data on per capita consumption, is assumed to be also the alcohol content of spirits produced in the GDR in each respective year.

- d. Data provided until 1976 are seen as "preparatory production" and are not considered in order to avoid possible double calculation.
- e. The proportion of spirits produced from other raw materials (wine distillate, molasses, potatoes and such) is assumed to have decreased from 70 percent (1970) to 50 percent (1980) and has since remained constant.
- f. The ratio between rye and wheat (including corn) used is considered to be constant (60:40) during the total observation period.
- g. The average production is assumed to be 36 liter ethanol per decaton of grain (3.6 hl/t grain).

A calculation made on this basis of the grain demands of the spirits industry (without the not to be excluded usage of grain for the production of alcohol for technical and pharmaceutical purposes) leads to the conclusion that grain usage in distilleries (Table 12) has since the end of the 70's reached significant quantities with more than 100 000 tons. These amounts seem to be applicable also for this period. The 550 000 tons of grain waste products (for 14 hl waste products per hl alcohol production and for a specific waste product weight of 1.0) correspond to an alcohol production of approximately 400 000 hl, i.e. an amount that is equal to the amounts calculated for the years after 1980.

3.3.3 Demand for Seed Grain

Besides the grain amounts (consumer grain) to be supplied for industrial processing, seed grain--at least the extent of government seed grain funds--is also a part of government grain supplies,⁵⁶ i.e. the amounts exported or shipped within IDH by the GDR are not part of government supplies--but are part of government purchase of agricultural products). Based on regulations of seed grain supply in Dresden Bezirk,⁵⁷ the assumption is made that all of the seed grain planned for combine harvesting is supplied through the VVB Seed and Plant Supplies because the usage of (the crop production enterprise's) own seeds "should not surpass seed grain demands for feed production."⁵³

In calculating seed grain demands the following seeding norms were used for specific grain species: rye: 150 kg/ha, winter barley and oats (including summer grain): 160 kg/ha, summer barley: 180 kg/ha and wheat: 200 kg/ha. From the development of planted acreages the following can then be concluded to be the seed grain demand for individual grain species (in round numbers):

rye:	1970-1974:	100 000 t
	1975-1977:	90 000 t
	1978-1982:	100 000 t
	1983-1984:	105 000 t

wheat: 1970, 1971: 120 000 t
 1972, 1973: 130 000 t
 1975, 1978: 140 000 t
 1974, 1976, 1977: 140 000 t
 1983, 1984: 150 000 t

winter barley: 1970-1973: 50 000 t
 1974, 1975: 70 000 t
 1976-1984: 90,000 t

summer barley: 1970-1972: 60 000 t
 1983, 1984: 65 000 t
 1973, 1974: 85 000 t
 1975-1978: 70 000 t
 1979-1981: 100 000 t (winter damages for winter grain)
 1982: 100 000 t

oats (including
 summer mix grain): 1970-1973: 55 000 t
 1974, 1975: 50 000 t
 1976: 35 000 t
 1977-1981: 30 000 t
 1983, 1984: 45 000 t (winter damages for winter grain)
 1982: 45 000 t

If the GDR wanted to cover its total grain demand for food purposes and the beverage industry and seed grain from its own production, the minimum amounts given in Table 13 would have had to be prepared as state supplies. As Table 13 shows, the calculated "minimum demand" has risen from approximately 2.85 million tons in 1970 to approximately 3.15 tons in the years 1983/1984, and this increase was caused primarily by the increasing demand by approximately 200 000 tons for summer or brewing barley, whereas the demand for bread grain species has remained nearly unchanged. The proportion of wheat in the required state supplies for consumer grain and seed grain amounts to just under 50 percent for the total observation period, whereas the proportion of rye has decreased in the years 1977-1982 from approximately 33 percent (1970/71) to approximately 26 percent. During the same period the proportion of brewing barley rose from approximately 15 percent to approximately 20 percent without however even closely approaching the amount of 700 000 tons mentioned by GDR Agriculture Minister Lietz.⁵⁹ The amounts calculated for wheat and rye (including seed grain), on the other hand, correspond almost exactly with his data (1.4 million tons wheat and 905 000 tons rye.⁶⁰

3.4 Degree of Self-Supply of Food Grain

A comparison with the government production of rye, wheat and total grain (Table 14) achieved in the years 1970-1983 as a matter of record shows that the GDR was not able to cover its demand for food grain

(including seed grain) in any year of the observation period (for neither wheat nor rye). The given appearance of self-supply for rye as well as grain on the whole in the second half of the 70's can be explained by the fact that until 1979 (not more exactly qualifiable) amounts of grain were also included in government grain production and that these not qualifiable amounts were bought up as feed grain. The amounts were supposed to guarantee feed supply for the industrial livestock production plants that were newly built in 1970 and received the major portion of imported grain. With this fact in view, only the results of the years 1980-1984 are an appropriate self-supply norm for food grain and seed grain.

In spite of three record harvests in succession (1982, 1983, 1984) it is evident that the amount of self-supply for wheat in the GDR lies between 70 and 80 percent, that for rye--even though the GDR is one of the four largest rye producers in the world--it reaches a maximum of 85 percent, that for grain on the whole (specific data for brewing barley are not available) this amount comes to approximately 90 percent. Even in comparison with the amounts of Table 11, i.e. in comparison with the demand for milling and bread grain (without the grain consumption for spirits production and without seed grain), an "under-supply" for wheat at an average of approximately 180 000 tons shows up for the years 1980-1984. For bread rye, too, a full self-supply can be considered only if neither seed grain nor distillery grain is seen as part of state supplies even though both are so described in the GDR STATISTICAL YEARBOOK.⁶¹

More likely is the assumption that the data of the STATISTICAL YEARBOOK apply only to purchased amounts that corresponded to required quality parameters, i.e. that (see Table 14) e.g. between 15 and 20 percent of the rye purchased as food rye should have been used, because of its quality, only as feed rye.

In addition to GDR grain shipments within IDH, grain amounts used outside the livestock production increased from approximately 3.25 million tons (1970-1972) to more than 3.50 million tons for the averages of years 1982-1984, but their share in the total grain amount available (including imports and IDH shipments) decreased at the same time from approximately 30 percent (1970/72) to approximately 27 percent (1982/84), and that means that the share of feed grain in the total amount of available grain has increased.

It is noteworthy that (given great variations between specific years) in the beginning of the 80's there were hardly more concentrates per livestock unit available than in the years of the 5-year plan 1971-75. The only exceptions are the years 1980 (year of the U.S. grain embargo toward the USSR) and 1983 when, according to pure calculation, more than 17 dt/feed grain were available per livestock unit (GV). Whereas it was necessary in 1976, because of catastrophically bad yields in hoed fruit and feed production, to use larger amounts of grain (from imports) for feed so that livestock supplies would not be reduced too

much, these measures were not necessary to a comparable extent in 1980 or 1983, as Table 15 shows. In both years approximately 6 dt GE more raw feed substances were available per livestock unit than in 1976. For this reason too the high amount of GDR grain imports in these 2 years is impossible to explain. It is merely a matter of speculation what the GDR actually did with the grain imported in these years that was obviously beyond its own needs--amounts range between 0.5 and 10 million tons. It cannot be ruled out that these amounts were re-exported into other RGW countries.

Table 1

Usage Structure of LN and Arable Land in the GDR 1970-1984

Year	Green Land		Arable Land (AF)		of this:		Feed Crops ²		Other Usage ³	
	1000 ha % of LN	1000 ha % of LN	1000 ha % of LN	1000 ha % of LN	Market Fruits ¹	1000 ha % of AF	1000 ha % of AF	1000 ha % of AF	1000 ha % of AF	1000 ha % of AF
1970	1 469	23,4	4 618	73,5	3 315	71,8	1 081	23,4	222	4,8
1971	1 463	23,3	4 622	73,5	3 375	73,0	1 030	22,3	217	4,7
1972	1 448	23,0	4 639	73,7	3 389	73,1	1 040	22,4	210	4,5
1973	1 429	22,7	4 634	73,7	3 441	74,3	978	21,1	215	4,6
1974	1 400	22,3	4 663	74,1	3 493	74,9	928	19,9	242	5,2
1975	1 359	21,6	4 699	74,6	3 542	75,4	898	19,1	259	5,5
1976	1 295	20,6	4 752	75,5	3 593	75,6	883	18,6	276	5,8
1977	1 262	20,1	4 771	75,8	3 564	74,7	955	20,0	252	5,3
1978	1 243	19,8	4 776	76,0	3 569	74,7	926	19,4	281	5,9
1979	1 239	19,7	4 767	75,9	3 466	72,7	1 004	21,1	297	6,2
1980	1 235	19,7	4 760	75,9	3 472	72,9	1 002	21,1	286	6,0
1981	1 249	19,9	4 741	75,7	3 436	72,5	1 022	21,6	283	5,9
1982	1 257	20,1	4 731	75,6	3 460	73,1	1 014	21,4	257	5,5
1983	1 250	20,0	4 734	75,7	3 449	72,9	1 021	21,6	264	5,5
1984	1 249	20,0	4 729	75,8	3 452	73,0	1 022	21,6	255	5,4

1. Harvest acreages of grain, potatoes, sugar beets, oil fruits and husk fruits -
2. Harvest acreages of green and liso corn, field feed and feed hoed fruits
3. Harvest acreages in fruit and vegetable production (including tobacco, medicinal plants, herbs) and also not harvested or not utilized agricultural acreage

Source: GDR STATISTICAL YEARBOOK 1984 and previous years as well as GDR STATISTICAL
HANDBOOK 1985

Table 2

Usage Structure of Green Land in the GDR 1970-1984

Year	Green Land		of this:		Pastures		Other Acreages ¹	
	1000 ha	1970:100	1000 ha	%	1000 ha	%	1000 ha	%
1970	1 469	100,0	722	49,1	663	45,1	84	5,8
1971	1 463	99,6	722	49,4	663	45,3	78	5,3
1972	1 448	98,6	710	49,0	668	46,1	70	4,9
1973	1 429	97,3	708	49,5	655	45,8	66	4,7
1974	1 400	95,3	689	49,2	633	45,2	78	5,6
1975	1 359	92,5	681	50,9	601	44,2	77	5,7
1976	1 295	88,2	635	49,0	565	43,6	95	7,4
1977	1 262	85,9	629	49,8	540	42,8	93	7,4
1978	1 243	84,6	616	49,6	523	42,1	104	8,3
1979	1 239	84,3	613	49,5	522	42,1	104	8,4
1980	1 235	84,1	597	48,3	526	42,6	112	9,1
1981	1 249	85,0	587	47,0	548	43,9	114	9,1
1982	1 257	85,6	572	45,5	577	45,9	108	8,6
1983	1 250	85,1	554	44,3	595	47,6	101	8,1
1984	1 249	85,0						

1. Hay Spreading Fields, Fields and Not Harvested Green Land

Source: GDR STATISTICAL YEARBOOK 1984 and previous years as well as
STATISTICAL HANDBOOK OF THE GDR 1985

Table 3

Production of Market Fruits on Arable Land in the GDR 1970-1984

Year	Grain ¹		Oil Fruits ²		Husk Fruits ³		Sugar Beets		Potatoes	
	1000 ha	1970-100	1000 ha	1970-100	1000 ha	1970-100	1000 ha	1970-100	1000 ha	1970-100
1970	2 287	100,0	116	100,0	53	100,0	192	100,0	667	100,0
1971	2 322	101,5	122	105,2	62	117,0	211	109,9	658	98,7
1972	2 330	101,9	129	111,2	61	115,1	222	115,6	647	97,0
1973	2 377	103,9	133	114,7	52	98,1	229	119,3	650	97,5
1974	2 444	106,9	132	113,8	48	90,6	234	121,9	635	95,2
1975	2 513	109,9	140	120,7	49	92,5	266	138,5	574	86,1
1976	2 541	111,1	137	118,1	49	92,5	267	139,1	599	89,8
1977	2 520	110,2	134	115,5	54	101,9	269	140,1	587	88,0
1978	2 543	111,2	135	116,4	51	96,2	261	135,9	579	86,8
1979	2 490	108,9	124	106,9	49	92,5	254	132,3	549	82,3
1980	2 526	110,5	134	115,5	49	92,5	250	130,2	513	76,9
1981	2 485	108,7	135	116,4	50	94,3	261	135,9	505	75,7
1982	2 515	110,0	131	112,9	53	100,0	257	133,9	504	75,6
1983	2 538	111,1	137	118,1	53	100,0	238	124,0	483	72,4
1984	2 518	110,1	149	128,4	56	105,7	240	125,0	488	73,3

1. including corn

2. Raps, mustard, poppies and fiber plants

3. Food and Feed Husk Fruits

Source: GDR STATISTICAL YEARBOOK 1984 and previous years as well as STATISTICAL HANDBOOK of the GDR 1985

Table 4

Harvest acreages, hectare yields, harvest net yields in GDR grain production comparing the averages of the years 1981 and 1983 with those of the years 1970-1972

Code	Harvest Acreages (1000 ha)				Hectar Yields (dt/ha)				Harvest Net Yields (1000 t)			
	1970-72	1981/83	Changes		1970-72	1981/83	Changes		1970-72	1981/83	Changes	
Winter grain 1	1 577,8	1 912,0	+ 21,2		32,9	38,6	+ 17,3		5 191,2	7 397,0	+ 42,5	
Summer grain	734,8	599,3	- 18,4		32,5	34,6	+ 6,5		2 386,3	2 068,1	- 13,3	
Total grain	2 312,6	2 511,3	+ 8,6		32,7	37,7	+ 15,3		7 577,5	9 465,1	+ 24,9	
of which ₂												
Wheat	640,4	714,5	+ 11,6		38,2	45,3	+ 18,6		2 455,2	3 245,9	+ 32,2	
Rye 3	664,8	684,7	+ 3,0		25,9	28,4	+ 9,7		1 713,7	1 945,0	+ 13,5	
Barley	637,8	926,9	+ 45,3		35,6	39,8	+ 11,8		2 268,2	3 679,1	+ 62,2	
of which												
Winter barley	319,0	562,7	+ 76,4		36,7	42,0	+ 14,4		1 167,2	2 361,8	+102,3	
Summer barley	318,8	364,2	+ 14,3		34,5	36,4	+ 5,5		1 101,0	1 317,4	+ 19,7	
Oats	228,8	167,6	- 26,7		32,6	32,7	+ 0,3		565,9	547,8	- 3,2	
Summer mix grain	134,9	17,2	- 87,2		28,0	26,5	- 5,4		372,1	45,5	- 87,8	
Corn	5,8	0,4	- 93,1		28,1	31,5	+ 12,1		16,8	1,8	- 89,3	

1. including summer mix grain and corn

2. winter and summer wheat

3. winter and summer rye

SOURCE: GDR STATISTICAL YEARBOOK 1984 and previous years

Table 5

Development of grain imports of the GDR 1970-1984
including GDR purchases in inner-German Trade (IDM)

Year	Grain ¹ total (1000 t)	of which: (1000 t)			
		Wheat	Barley	Corn	Rye
1970	3 424	2 084	799	376	132
1971	3 066	1 867	187	656	36
1972	3 845	2 040	675	1 031	-
1973	2 990	1 594	298	1 086	1
1974	2 770	1 219	104	1 328	-
1975	3 396	1 130	390	1 795	37
1976	5 066	1 691	795	2 346	-
1977	2 731	1 100	581	940	-
1978	3 029	687	806	1 229	148
1979	3 716	811	1 161	1 201	-
1980	4 310	476	564	3 161	-
1981	3 259	794	582	1 823	-
1982	2 495	731	356	1 349	-
1983	3 784	1 543	1 274	663	198

1. without rice

Sources: RGW STATISTICAL YEARBOOKS, Moscow, 1975 p 356;
1980 p 366; 1984 p 328

Table 6

Development of Grain Imports of the GDR according to Sources

1970 - 1983								
Year	Total grain imports ¹ 1000 t	of which: from USSR		from which wheat 1000 t	from world market		from which: from USA	
		1000 t	% ²		1000 t	% ³	1000 t	% ⁴
1970	3 424	1 596	46,6	1 449	1 828	53,4	234	12,8
1971	3 066	1 913	62,4	1 858	1 153	37,6	403	35,0
1972	3 845	1 067	27,8	1 048	2 778	72,2	702	25,3
1973	2 990	978	32,7	879	2 012	67,3	1 160	57,7
1974	2 770	1 425	51,4	1 079	1 345	48,6	1 175	87,4
1975	3 396	720	21,2	577	2 676	78,8	1 961	73,3
1976	5 066	187	3,7	-	4 879	96,3	2 877	59,0
1977	2 731	780 ²⁾	28,6	460 ²⁾	1 951	71,4	1 332	68,3
1978	3 029	-	-	-	3 029	100,0	1 145	37,8
1979	3 716	450 ²⁾	22,1	450 ²⁾	3 266	87,9	1 898	58,1
1980	4 310	-	-	-	4 310	100,0	3 120	72,4
1981	3 259	17 ²⁾	0,5	17 ²⁾	3 242	99,5	1 796	55,4
1982	2 495	-	-	-	2 495	100,0	1 504	60,3
1983	3 784	-	-	-	3 784	100,0	891	23,5

1. without rice--2. Since 1977 GDR grain imports from the USSR are accounted for by the USSR only according to value. The amounts were calculated on the basis of the following prices:

1977 116 tr. Rbl/t wheat and 98 tr. Rbl/t barley
 1979 125 tr. Rbl/t wheat
 1981 128 tr. Rbl/t wheat

3. in percent of total grain imports
 4. in percent of imports from world market

Sources: USSR STATISTICAL FOREIGN TRADE YEARBOOK, Moscow, 1984 and previous years--RGW STATISTICAL YEARBOOK, Moscow 1984 and previous years--United States Department of Agriculture (USDA): EASTERN EUROPEAN AGRICULTURAL SITUATION, 1984 and previous years.

Table 7

Total Available Grain and Import Proportions according to Grain species in the GDR 1970 - 1983

Year	Total Avail- able Grain (1000 t)	of which:			Import Proportions (percent)					
		Wheat (1000 t)	Rye (1000 t)	Barley ¹ (1000 t)	Others ² (1000 t)	Total Grain	of which:			
							Wheat	Barley	Rye ¹	Others ²
1970	9 880,5	4 216,3	1 615,4	2 724,9	1 324,9	34,7	49,4	8,2	29,3	30,9
1971	10 745,9	4 356,8	1 789,2	2 473,2	2 126,7	28,0	42,9	2,0	7,6	43,1
1972	12 381,2	4 783,6	1 904,1	3 267,5	2 426,0	31,1	42,6	-	20,7	46,6
1973	11 493,2	4 455,2	1 699,9	3 146,0	2 192,1	26,0	35,8	0	9,5	50,1
1974	12 473,2	4 372,6	1 948,5	3 526,2	2 625,9	22,2	27,9	-	2,9	55,1
1975	12 306,4	3 865,8	1 599,6	4 071,5	2 769,5	27,6	29,2	2,3	9,6	66,4
1976	13 196,2	4 405,9	1 455,1	4 251,5	3 083,7	37,9	38,4	-	18,7	81,7
1977	11 426,8	4 014,1	1 644,1	4 262,4	1 506,2	23,9	27,4	-	13,6	69,7
1978	12 850,9	3 834,5	2 043,0	4 940,7	2 032,7	23,6	17,9	7,2	16,3	68,3
1979	12 573,4	3 927,0	1 830,2	4 483,8	2 332,4	29,6	20,7	-	25,9	74,8
1980	13 926,7	3 573,8	1 916,6	4 542,5	3 893,8	30,9	13,3	-	12,4	83,7
1981	12 122,0	3 735,6	1 797,4	4 057,9	2 531,1	26,9	22,4	-	14,3	74,4
1982	12 515,8	3 470,3	2 118,8	4 410,9	2 515,8	19,9	21,1	-	8,1	56,0
1983	13 851,1	5 093,2	2 290,5	5 156,3	1 311,1	27,3	30,3	8,6	24,7	58,7

1. Summer and winter barley, also brewing barley and feed barley--2. Corn, mix grain, oats, sorghum etc.

Sources: Tables 6 and 7

Table 8

GDR Grain Shipments in Inner-German Trade

1970 - 1984

<u>Year¹</u>	<u>Food Rye (1000 t)</u>	<u>Food Wheat (1000 t)</u>	<u>Brewing² Barley (1000 t)</u>	<u>Oats³ (1000 t)</u>	<u>Total⁴ (1000 t)</u>
1970	25	143	231	42	441
1971	31	59	201	46	337
1972	45	71	188	58	362
1973	92	65	176	30	363
1974	101	76	152	21	350
1975	109	70	198	26	403
1976	125	75	183	24	407
1977	129	55	122	40	356
1978	49	60	153	93	355
1979	26	55	191	122	394
1980	15	50	160	125	350
1981	5	72	166	121	364
1982	5	75	149	128	357
1983	13	95	165	103	376
1984	16	87	137	85	325

1. 1970 - 1975 business years; 1976 - 1984 calendar years
2. Including malt (with factor 1.28 computed into brewing barley)
3. Including mix grain
4. Not considered are shipments of other grain products such as flour, whole grain products, brans, malt flour, malt extract (1984: total approximately 19 000 t)

Source: ELUF STATISTICAL YEARBOOK of the FRG 1984, p 331 and appropriate data in previous editions, as well as "Trade with the GDR and Berlin (East)," (Special Series 6) FRG Office of Statistics Wiesbaden 1984

Table 9

Domestic Consumption and Industrial Production
of Flours and Food Supplies in the GDR

1970 - 1984

Year	Domestic Consumption ¹ (1000 t)			Total	Industrial ³ Production (1000 t)	Difference	
	Rye flour	Wheat flour	Food ² Items			(1000 t)	percent of consumption
1970	689	884	87	1.660	1 464	196	11,8
1971	681	885	90	1 656	1.473	183	11,1
1972	656	895	90	1 641	1 445	196	11,9
1973	623	891	83	1 597	1 437	160	10,0
1974	608	897	90	1.595	1.462	133	8,3
1975	595	910	93	1.598	1 465	133	8,3
1976	574	925	94	1.593	1 468	125	7,9
1977	552	934	94	1 580	1 460	120	7,6
1978	531	953	92	1 576	1 453	123	7,8
1979	530	963	95	1 588	1 463	125	7,9
1980	529	957	95	1 581	1 468	113	7,1
1981	532	962	95	1 589	1 477	112	7,0
1982	539	984	98	1 621	1 500	121	7,5
1983	591	939	95	1.625	1.491	134	8,2
1984	603	963	97	1 663	.	.	.

1. Calculated from per capita consumption and population in annual average
2. Ground rice (farina), cooking barley, oat flakes, and others (including rice)
3. Industrial Production of flours and food supplies of all kinds (including rice) in government-owned firms according to production and productivity data in the GDR STATISTICAL YEARBOOK

Source: GDR STATISTICAL YEARBOOK 1984 and previous years, and also
GDR STATISTICAL HANDBOOK 1985

Table 10

Food Rice Consumption and Rice Imports of the GDR 1976 - 1984

<u>Year</u>	<u>Consumption</u> <u>(1000 t)</u>	<u>Import</u> ¹ <u>(1000 t)</u>	<u>Percent of food</u> <u>rice consumption</u>
1976	30	42	140
1977	32	45	141
1978	30	43	143
1979	32	44	138
1980	32	44	138
1981	30	42	140
1982	35	31	89
1983	32	23	72

1. Primarily "rice (raw)"

Sources: Own calculations and data of the GDR STATISTICAL YEARBOOK 1984 and previous years

Table 11

GDR Domestic Food Grain Demand for Flour, Beer and Food Supplies

According to Grain Species in 1000 t

1970 - 1984

Year	Milling ¹ rye (1000 t)	Milling ² wheat (1000 t)	Brewing ³ barley (1000 t)	Grain for ⁴ food (1000 t)	of which Rice (1000 t)	Total grain (without rice) (1000 t)
1970	825	1 179	333	124	39	2 422
1971	816	1 180	367	128	39	2 452
1972	786	1 194	375	128	40	2 443
1973	747	1 188	394	118	39	2 408
1974	728	1 196	392	128	39	2 405
1975	712	1 213	414	132	37	2 434
1976	689	1 233	430	134	37	2 449
1977	661	1 245	440	134	40	2 440
1978	636	1 270	452	130	37	2 451
1979	635	1 284	467	136	40	2 482
1980	634	1 276	479	136	40	2 485
1981	637	1 282	492	136	37	2 510
1982	646	1 312	518	140	43	2 573
1983	708	1 252	517	136	40	2 573
1984	714	1 284	500	139	.	

1. Milling degree: 84.5 percent

2. Milling degree: 75.0 percent

3. Amount of 1 t brewing barley / 50 hl beer and 1.3 t brewing barley / t brewing malt with a (constant) net export of 5000 t malt/year (1971-1980) and 8000 t malt/year (from 1981)

4. Utilization rates of 50 percent (cooking barley production), 70 percent (oat flakes production) and 80 percent (rice processing) based on assumed proportions in food consumption of 20 percent barley, 40 percent oat flakes and 40 percent rice.

Source: Own calculations on basis of data in Table 9 and of GDR STATISTICAL YEARBOOK 1984 and previous years, and GDR STATISTICAL HANDBOOK 1985

Table 12

Grain Demands of the Spirits Production

Year	Alcohol content of spirits	Spirits production	of which on grain basis:		Raw materi- al needs for grain brandy (1000 t grain)	of which:	
	percent	(in 1000 hl alcohol)	(per- cent)	(1000 hl alcohol)		wheat	rye
						(1000 t)	(1000 t)
1970	39,4	455	30	136	38	15	23
1971	41,0	491	32	154	43	17	26
1972	43,3	522	34	177	49	20	29
1973	42,5	555	36	200	56	22	34
1974	42,0	578	38	220	61	24	37
1975	40,7	595	40	238	66	26	40
1976	40,7	636	42	267	74	30	44
1977	37,8	636	44	280	78	31	47
1978	38,1	691	46	318	88	35	53
1979	37,7	743	48	357	99	39	60
1980	38,2	800	50	400	111	44	67
1981	38,1	846	50	423	117	47	70
1982	38,1	851	50	426	118	47	71
1983	38,1	951	50	476	132	53	79

Sources: GDR STATISTICAL YEARBOOK 1984 and previous years and also own calculations, see sections a - g in text

Table 13

Required Minimum Amount of Government Supply for Grain
According to Grain Species (1000 t)

<u>Year</u>	<u>Rye</u>	<u>Wheat</u>	<u>Summer Barley</u>	<u>Winter bar- ley and oats</u>	<u>Total</u> ¹ <u>grain</u>
1970	948	1 314	393	190	2 845
1971	942	1 317	427	194	2 880
1972	915	1 344	435	193	2 887
1973	881	1 340	459	184	2 864
1974	865	1 360	457	209	2 891
1975	842	1 369	499	215	2 925
1976	823	1 403	515	222	2 963
1977	798	1 416	525	214	2 953
1978	789	1 435	537	213	2 974
1979	795	1 463	537	216	3 011
1980	801	1 460	549	216	3 026
1981	807	1 469	562	219	3 057
1982	817	1 499	618	232	3 166
1983	887	1 455	577	216	3 135
1984					

1. Without rice

Sources: Tables 11 and 12, in addition to calculated seed grain demand

Table 14

Allocation and Consumption of Grain in the GDR According to Usage Tendencies

Year	Total allocation ¹		of which:		Available feed grain/livestock unit	
	1000 t		consumer grain	feed grain		
			seed grain and IDH ²			
			1000 t	1000 t	dt / GV ³	
1970	829	63	772	81	2 479	87
1971	814	62	703	75	2 436	85
1972	858	64	695	76	2 567	89
1973	906	68	676	77	2 672	93
1974	969	71	707	82	2 966	103
1975	977	71	670	80	2 941	101
1976	1 148	82	746	91	3 146	106
1977	1 228	87	808	101	3 345	113
1978	1 063	74	819	104	3 235	109
1979	1 181	81	876	101	2 776	92
1980	1 015	70	683	85	2 779	92
1981	1 203	82	681	84	2 792	91
1982	1 065	71	690	85	2 806	89
1983	1 146	79	706	80	2 799	89

1. see Table 7;

2. Sum from Tables 8 and 13;

3. Livestock (GV) amount according to data of STATISTICAL YEARBOOK, in addition to amount of fowl calculated in terms of GV (1 fowl = 0.004 GV) in annual averages (= medium of amount at end of year and at end of previous year)

Sources: see notes

Table 15

Rough Calculation of the Availability of Hoed Fruits and Rough Feed Supplies in 1000 t GE and in dt GE/GV in the Years 1976, 1980 and 1983.

Feed Supplies	1976	1980	1983
Feed potatoes ¹ (1000 t GE)	254	784	352
Feed sugar beets ² and other feed hoed fruits (1000 t GE)	468	562	793
Beef leaf and corn ³ (1000 t GE)	679	1 846	1 632
Field feed, meadows pastures and intermediate fruits ⁴ (1000 t GE)	5 739	7 811	8 234
Total (1000 t GE)	7 140	11 003	11 011
in dt GE/GV	12,3	18,3	18,2

1. Difference between harvest amounts and government supplies (0.2 dt GE/dt)
2. Difference between harvest amounts and government supplies (0.25 dt GE/dt)
3. Harvest amounts beets: leaf = 1.1 basis (0.1 dt GE/dt)
4. Amounts on green feed (0.12 dt GE/dt)

Source: Calculation according to data in GDR STATISTICAL YEARBOOKS

FOOTNOTES

1. These changes in the ratio between usable and arable land shall here be described only briefly because other publications have dealt with them in detail. See especially: Manfred Hoffmann: "Acreage Usage in a Socialist Society--Illustrated by the Example of the German Democratic Republic", Berlin 1983--Karl Eckart: "More Recent Developments in Agricultural Land in the Two German States," in: GERMAN STUDIES, Lueneburg, volume 87/1984, pp 267-316--Karl Eckart: "Changes in the Market Fruits Production in the Two German States," in: MAGAZINE FOR AGRARGEOGRAPHY, Paderborn, volume 1/1985, pp 3-42.
2. Whereas the data of the GDR STATISTICAL YEARBOOK on LN and pasture and arable land correspond to the results given by the reports on the agricultural cultivated land, the utilization structure of pasture and arable land can be determined only from reports on harvest lands, i.e. acreage planted with a specific kind of crop--but not acreage that has not been harvested--can be determined only as a part of the statistical remainder category of "other use."
3. On this topic see also Karl Hohmann: "Development and Importance of Private Agricultural Production in the GDR," FS-Analyses, vol 3/1984 p 19).
4. Heinz Kuhrig: "With Vigor and Optimism Toward Best Results Everywhere," in: NEUES DEUTSCHLAND, 14 May 1982, p 3.
5. "During the Karl Marx Year the Productivity of Farmers Is Directed Toward High Yields," in: NEUES DEUTSCHLAND, 22/23 Jan 1983 p 3.
6. Heinz Kuhrig: "With Vigor and Optimism..." ibid p 3.
7. Including summer wheat whose amount rarely, e.g. in 1981 and 1982, amounts to more than 5 percent of the total wheat acreage.
8. Including summer rye whose production with its approximately 10 000 ha only rarely surpasses 2 percent of the total rye acreage.
9. See NEUES DEUTSCHLAND, 20 Nov 1981 p 5.
10. See also: Karl Hohmann, "The Economic Measures in GDR agriculture against the Background of To-date Results of the 5-Year Plan 1976-1980", in FS-Analyses, vol 5/1980 pp 55-87, here survey 2.
11. See also Marian Haendcke-Hoppe: "10 Years Foreign Trade and Foreign Economic Policy of thr GDR," in: FS-Analyses, vol. 5/1984 p 72.
12. Computed from USDA: "Eastern Europe Agricultural Situation," Washington DC, 1977 pp 32-35 and 1982 pp 40/41.
13. Ibid.

14. Willi Stoph: "Report to the 10th SED Party Congress..." in: NEUES DEUTSCHLAND, 15 April 1981 p 4.
15. "Directive of the 10th SED Party Congress on the 5-Year Plan for the Development of the GDR National Economy in the Years 1981 to 1985," Berlin (East), 1981, p 49.
16. Helmut Semmelmann: "What is the Nature of the Grain Problem?" in: NEW WAY, Berlin (East), vol 5/1982 pp 203-205.
17. Ibid, p 204.
18. Toepfer International: "The Grain Market in Canada," in: MARKET REPORT of 17 Nov 1983.
19. Toepfer International: MARKET REPORT of 17 May 1984.
20. Toepfer International: MARKET REPORT of 17 Feb 1983 and 11 May 1983.
21. Since 1985 renamed as "VEB Scientific-Technical-Economic Center of the Grain Industry."
22. Hans Jacobi: "Dialog '81—Possibilities and Reserves for Guaranteeing Food Grain Demands from Domestic Resources," in: GRAIN TRADE, Berlin (East), vol 5/6/1981, p 104.
23. In this connection it is interesting to note that 1980 was the beginning of the U.S. grain embargo toward the USSR.
24. A. Ackermann: "To Further Increase Food Wheat Yields", in: GRAIN PRODUCTION, Berlin (East) vol 3/1981, pp 55-57, and also: W. Schmieder, S. Zabel: "On Several Questions Concerning the Guarantee of Food Wheat Production in the GDR" in: GRAIN PRODUCTION, Berlin (East) vol 4/1985, pp 77-81.
25. W. Schmieder, S. Zabel: "On Several Questions..." ibid, p 77, and also G. Beese, H. Zimmermann: "Assortment Strategy with Multiple Advantages" in: GRAIN PRODUCTION, Berlin (East) vol 5/6/1984, p 106, and H. Witt, G. Beese, A. Haensel: "Presentation of New Grain Species 1984," in: GRAIN PRODUCTION, Berlin (East) vol 5/6/1984, pp 9-105.
26. TGL 39311 terminology of grain production.
27. A. Ackermann: "New Grain Foods—Presented in TGL: TGL 42 581/01—Grain Fruits, Food Grain," in: GRAIN PRODUCTION, Berlin (East) vol 5/6/1984, pp 128-131.
28. H. Jacobi: "Great Responsibility for Food Grain," in: GRAIN PRODUCTION, Berlin (East) vol 1/1980, pp 14-16, and also: H. Jacobi: "Development and Status of Food Grain Production in the GDR," in: AGRICULTURAL PRODUCTION, Berlin (East) vol 6/1984, pp 238-240.

29. Ibid.
30. H. Jacobi: "High Responsibility..." *ibid*, p 14.
31. H. Jacobi: "Development and Status..." *ibid*, pp 238/239, and also Bruno Lietz: "Highest Grain Yield since the Existence of the GDR-- Motivation and Challenge for the Work of All of Us," in *GRAIN PRODUCTION*, Berlin (East) vol 10/1984, pp 219-221.
32. "In addition to grain, about 9 400 tons malt, 3000 tons malt flour and malt extract, 1050 tons barley products for food purposes and 153 tons seed stock were exported within the IDH, among other goods, in 1984.
33. H. Jacobi: "On Several Results of the Grain Harvest 1981," in: *GRAIN PRODUCTION*, Berlin (East) vol 1/1982, pp 10-13 (here p 13), also H. Jacobi: "Results and Conclusions of the grain industry from the grain fruit harvest in 1983," in: *GRAIN PRODUCTION* Berlin (East) vol 1/1984, pp 14-17 here p 17.
34. H. Jacobi: "High Responsibility for Food Grain," in: *GRAIN PRODUCTION*, Berlin, (East) vol 1/1980, p 14--M. Schultze: "Effective Flour Usage by Separating Small Grain Shares," in: *GRAIN PRODUCTION*, Berlin (East) vol 7/1981 pp 163-166, and also H. Jacobi: "On Several Results of the Grain and Oil Fruit Harvest 1982," in: *GRAIN PRODUCTION*, Berlin (East) vol 12/1982, pp 267-270, here p 270.
35. Dieter Mansfeld: "Food Production in the GDR," in: *FOOD INDUSTRY*, Leipzig vol 4/1976, pp 164-166.
36. In the middle of the 70's the following ingredients were used "for the production of whole beer on raw barley basis": 53 percent malt, 12 percent sugar and 35 percent raw barley. Raw rice was "used for the production of special beer with a share of about 50 percent." See *ibid* p 166.
37. With a reduction by 20 percent when "rice in straw husks" is processed into "husked rice", according to the calculations used in the FRG, and there is no import of already processed rice.
38. J. Kroll, Ch. Franzke: "Production and Usage of Candied Green Tomatoes," in: *FOOD INDUSTRY*, Leipzig vol 2/1984, p 93.
39. R. Vetter: "Waldheim Workers Accepted New Production Tasks," in: *FOOD INDUSTRY*, Leipzig vol 5/1984, pp 199-201.
40. See Reinz Ritter: "Calculations in the Grain Industry," Leipzig 1974, p 154.
41. H. Jacobi: "High Responsibility for Food Grain," in: *GRAIN PRODUCTION*, Berlin (East) vol 1/1980 p 14.
42. *STATISTICAL YEARBOOK ON NUTRITION, AGRICULTURE AND FORESTS (ELuF)*, Muenster-Hiltrup 1984, p 183.

43. M. Schultze: "More Effective Flour Production by Separating Small Grain Proportions," in: GRAIN PRODUCTION, Berlin (East) vol 7/1981, pp 163-166.
44. Dieter Mansfeld: "Food Supply Production in the GDR," in: FOOD INDUSTRY, Leipzig vol 4/1976, pp 164-166. See also: Data in the STATISTICAL YEARBOOK on ELuF 1984, Muenster-Hilrtup, pp 182-184.
45. See: "abc Agriculture" Leipzig 1974, p 191.
46. Rudolf Werner: "Farmer and Brewer," in NEW GERMAN FARMERS JOURNAL Berlin (East) No 19/1985, p 19.
47. GDR STATISTICAL YEARBOOK 1982, p 245.
48. Authors collective: "Evaluation of Grain Fruits and Mill Products," Berlin 1976, p 22.
49. H. Jacobi: "The Development of Demand and Production of Brewing Barley in the GDR," in: GRAIN PRODUCTION, Berlin (East) vol 12/1980, pp 267-271.
50. H. Jacobi: "The Development of Demand and Production of Brewing Barley in the GDR," in GRAIN PRODUCTION, Berlin (East) vol 2/1985, pp 35-37.
51. Ibid, p 36.
52. Peter Lietz: "The Task of Research and Development in the Fermentation and Beverage Industry," in: FOOD INDUSTRY, Leipzig vol 5/1976, pp 203-213.
53. W. Guenther: "Primaspirit for More Than 500 Businesses," in: FOOD INDUSTRY, Leipzig vol 8/1978, p 453.
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55. J. Einencel and others: "Possibilities of Utilizing Waste Products of a Grain Distillery," in: FOOD INDUSTRY, Leipzig vol 1/1985, pp 23-26.
56. Government supplies for agricultural products is defined as: the portion of the agricultural goods production that is sold to buyers from industry and commerce (also direct purchase) in order to supply the population with food, and industry with raw materials. Including seed grain which is included in government seed grain funds. (See "Definitions for Calculation and Statistics," part 4II, Berlin (East) 1980.
57. G. Nitzsche, E. Schubert: "Dresden Bezirk Regulates Seed Grain Supply," in: GRAIN PRODUCTION, Berlin (East) vol 5/6/1984, pp 107-109.
58. Ibid, p 108, footnote 2.
59. Bruno Lietz: "Highest Grain Yield since the Existence of the GDR--Motivation and Challenge to the Work of All of Us,": in: GRAIN PRODUCTION, Berlin (East) vol 10/84, pp 219-221, here p 220.
60. Ibid.
61. See GDR STATISTICAL YEARBOOK 1984, p 206, Footnotes 1 and 3.

TRADE WITH BULGARIA INCREASING

Dubayy KHALEEJ TIMES in English 7 Mar 86 p 13

[Text]

BULGARIA's exports to the UAE have registered a slight increase despite current obstacles to trade with the Gulf such as the economic slow-down and effects of the Iran-Iraq war, according to the country's ambassador to Kuwait, Ivan Budinov.

In a chat during a visit to this newspaper's office in Dubai, Mr Budinov said exports to this country last year were worth about \$5 million and promotional efforts were to be undertaken to augment trade.

A high-level delegation led by the chairman of the Bulgarian chamber of commerce will visit Dubai at the end of this year and the first Bulgarian solo exhibition is proposed to be held in the emirate in early 1987.

Mr Budinov who was accompanied by the director of Bulgaria's trade centre in Dubai, Veselin Bijev, said the absence of shipping links between the two states hindered growth in trade.

Three years ago, Bulgaria started a direct shipping service, but it was found to be uneconomical because usually there was no cargo for return voyage.

However, when there are huge consignments for this region Bulgarian exporters charter vessels for direct sailing.

Among the country's major exports to the UAE are canned food, live animals, textiles and canned fruits and vegetables. Among the highlights of bilateral economic cooperation has been a joint venture design and consultancy firm.

It designed several prestigious buildings in the country such as municipal offices in Abu Dhabi and Al Ain, the central bus station in the capital and the foodstuff testing laboratory in Al Ain.

Over 3,600 tourists from the UAE visited Bulgaria last year, 40 per cent of whom were nationals. Its national airline runs a weekly flight to Abu Dhabi and during the holiday season, there are frequent chartered flights for tourists from various local airports.

Discussions are now under way with concerned ministries in the UAE for organising a Bulgarian cultural week in the capital which will feature the country's heritage of painting, puppet theatre, monuments and other subjects of interest.

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CSO: 4400/130

OFFICE COMPUTERS TO AID DOMESTIC CONSUMER GOODS INDUSTRY

East Berlin DER HANDEL in German Vol 36 No 1, Jan 86 (signed to press 17 Dec 85) pp 7-8

[Article by Dr Werner Hartwig of the Central Organization and Accounting System for the Domestic Consumer Goods Industry: "Microelectronics--Key Technology of Modern Computer Technology in Trade"]

[Text] Utilizing modern computer technology based on the office computer is a task that is arising in new dimensions in other areas as well. This means the materials industry, the organization of cooperative relations as well as... trade.¹

In preparation for the 11th party congress of the SED, the most substantial scientific and technological research results for the accelerated application of modern computer technology under the jurisdiction of the Domestic Consumer Goods Industry were presented in September 1985 to a group of leadership and management cadre.

Electronic Data Processing Model Project Applied Efficiently

With the help of electronic data processing in trade, the flow of finished goods from industry and other cooperative partners has in recent years been registered and controlled using information technology to an increasingly large extent. For the nearly 800 enterprises and combines in trade, as well as the state and economic management organs, approximately three million data sets are currently being processed each day at 40 intermediate data processing facilities.

Information processing is based on the application of efficient model projects for economic enterprises with uniform management and organization. The extent of use in wholesale trade is between 15 to 30 times higher, while in retail trade (for accounting and statistics) project applications are as much as 500 times higher. This means extensive utilization of efficient information projects for Bezirk-based wholesale trade combines and retail trade enterprises. The main areas of application of these model projects are:

--Transportation, transshipment and storekeeping processes in wholesale trade, accounting for approximately 70 percent.

--Accounting functions of wholesale and retail trade, constituting approximately 15 percent.

--Territorial and central management of the circulation of goods and of economic effectiveness, accounting for approximately 10 percent.

--Management of the circulation of goods in retail trade, accounting for approximately five percent.

New Quality of Information Processing Necessary

As national and international trends show, only a limited part of the potential capabilities that could be achieved through automated information processing has been opened up by the applications thus far of centralized electronic data processing in trade. In order to utilize further potential capabilities on a scale that is significant to the national economy, modern microcomputer technology must be immediately integrated into the operational processes of trade. Based on this acknowledgement and in accordance with the advanced state of development of microcomputer technology in the GDR, it is of importance that a new level of quality be achieved in information processing, which is best expressed in the concept of "distributed information processing."

This means nothing other than to extend the use of Bezirk-based concentrated facilities (ESER) to handling large amounts of data and to raise the capacity of computer-supported information systems in trade through distributed computer operating stations in the trade institutions.

Developmental Guidelines for the Use of Computer Technology

The period up to 1990 shows four main trends in the development and application of modern computer technology for domestic trade in consumer goods, for which both project-oriented (software) and material-technical (hardware) requirements must be secured.

The order and rank of these main trends are determined by:

1. The use of computer work stations for running transportation, transshipment and storekeeping processes in wholesale storerooms, primarily for WTB and OGS;
2. The use of computer work stations for the intensification of cooperation between trade and industry;
3. The creation of incentive for the development of goods-oriented management systems among selected types of goods through using microcomputer technology (sales terminals), as well as trying out efficient cash register procedures, including the credit card;
4. The perfection of the information system for managing, planning and controlling supply and economic processes.

In accordance with these main trends, 17 exhibits characteristic of the period up to 1990 were presented during the exhibition. They were prepared and tested for broad application in practical trade or are to help guarantee, as a pilot solution, the scientific and technological incentive over and above the above-mentioned period of time. In particular, this includes:

--The application of the screen dialogue procedure to the management and control of the transshipment of goods in WTB wholesale trade. This solution has been tested for some time in Berlin and in the Bezirk of Schwerin;

--The use of the information and dialogue system in the furniture industry. The increasing effectiveness of this process in the retail goods of the Socialist Trade Enterprise Furniture in Berlin is becoming immediately noticeable to retail customers and is helping to raise the level of potential supply output of this critical type of goods;

--The application of computer-supported control over contract fulfillment in the computer work station for shoes and leather goods;

--The preparation of a goods-oriented management system with concrete equipment on all levels of the distribution process, for example through the use of sales terminals with optical label readers in a luxury goods store.

New Technology Brings With it New Management Responsibilities

Trade enterprises and institutions coming into contact with computer work stations are facing new leadership responsibilities. These are primarily responsibilities such as:

--Political and ideological preparation;

--The elaboration of a plan for application, bearing in mind requirements concerning the improvement of work and living conditions;

--The creation of scientific and technological incentive in the area of responsibility, and;

--The involvement of workers.

This in turn demands a graduated program of qualifying and training, which will in principle include the following stages.

First stage: Qualification of the management cadre at the respective educational institutions in the form of outlines on the method of operation and requirements of microcomputer technology (including several hours of practical computer experience).

Second stage: Training of specialists for drawing up projects and programs of microcomputer technology at the Domestic Consumer Goods Industry training center in Luebbenau.

Third stage: Practice-oriented training of the user and operators of computer work stations by specialists in project and program development.

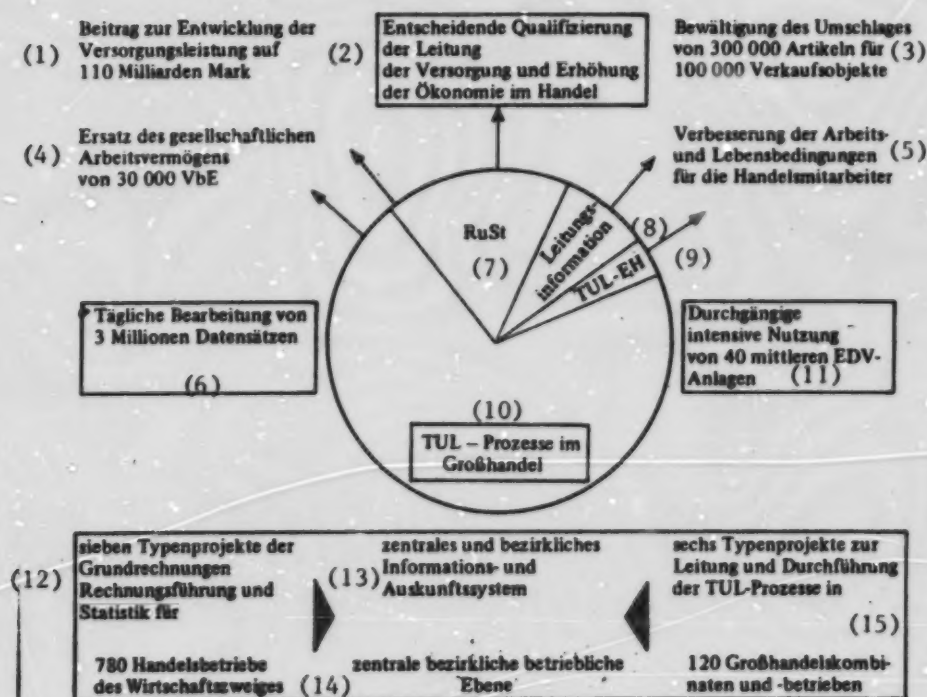
Fourth stage: Training of a permanent staff of maintenance and repair personnel for microcomputer technology, in order to assure a high level of availability of the equipment in cooperation with the Robotron combine.

The industrial exhibition "Application of Modern Computer Technology in Trade" demonstrated convincingly the possibilities for a high increase in performance through the widespread application of work station-oriented information processing. The period of return on expenditures, which is within the tolerance range 1 to 2 years, also verifies the economic load capacity of the solutions.

FOOTNOTES

1. Erich Honecker, "10. Tagung des ZK der SED" [Tenth Meeting of the Central Committee of the SED], Dietz Verlag Berlin, 1984, p 34.

Figure 1. Achieved Results of Electronic Data Processing Applications in the Domestic Consumer Goods Industry



Key: Table 1

1. Contribution to the development of supplies amounting to 110 billion marks
2. Crucial qualification of the management of supplies and the elevation of the economy in trade
3. Dealing with the transshipment of 300,000 articles for 100,000 finished products
4. Reimbursement of the societal labor potential of 30,000 VBEs
5. Improvement of working and living conditions for workers in trade
6. Daily processing of three million data sets
7. RUST
8. Management information
9. Transport, transshipment and storage processes in retail trade
10. Transport, transshipment and storage processes in wholesale trade
11. General intensive use of 40 intermediate data processing facilities
12. Seven model projects in basic calculations of accounting and statistics for 780 trade enterprises in the economy
13. Central and Bezirk information systems
14. Central Bezirk enterprise level
15. Six model projects on the management and implementation of transport, transshipment and storage processes in 120 wholesale combines and enterprises

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CSO: 2300/214

MAIN HIGHLIGHTS OF 1986 CENTRAL ANNUAL PLAN PUBLISHED

Warsaw RZECZPOSPOLITA (REFORMA GOSPODARCZA supplement) in Polish No 64,
12 Dec 85 p 1

[Unattributed article: "Tasks and Conditions for Fulfillment of the Central Annual Plan for 1986: Extract from Council of Ministers Resolution No 178/85 of 15 November 1985 on the Subject of the Central Annual Plan for 1986"]

[Text] On the basis of article 27 paragraph 2 point 1 and article 33 of the 26 February 1982 law on socioeconomic planning (...), guided by the provisions of the 24 July 1985 resolution of the Sejm of the Polish People's Republic on the subject of alternative concepts for the National Socioeconomic Plan for the years 1986-1990 and the assumptions of the Central Annual Plan for 1986, and taking into account the results of the social consultations on the assumptions of the plan and the consultations on the draft plan with trade union bodies with respect to employment, prices, people's living conditions, and working conditions, the Council of Ministers resolves the following.

Section I

General Regulations

Article 1

1. The provisions of the resolution and the annexes to it cited in article 60 constitute the Central Annual Plan for 1986, hereinafter called the "plan."
2. An integral part of the plan mentioned in paragraph 1 is Resolution no. 123/85 of the Council of Ministers, dated 19 July 1985, on the subject of operational programs and government orders for materials, products, and investments, hereinafter called "Resolution no. 123/85."
3. A separate resolution (...) defines the central tasks in the area of scientific and technological development in 1986.

Article 2

1. The bodies of the state administration, within the areas proper for them and with mutual consultation, are obliged to undertake effective actions in

order to fulfill the plan, using the means given them by the constitution for influencing enterprises and other economic units.

2. State enterprises, in accordance with article 2 of the 25 September law on state enterprises (...), are obliged to ensure that their plans and the economic activity conducted on the basis of them are consistent with the goals of the socioeconomic plan.

3. Ministries and other bodies of the state administration that function as the parent bodies of enterprises will undertake appropriate activities to ensure that the plans of the enterprises are consistent with the socioeconomic goals defined in the Central Annual Plan for 1986.

Section 2

Social and Economic Goals and the Basic Factors in Achieving Them

Article 3

The following are established as the main socioeconomic goals to be achieved in 1986:

1) ensuring an improvement in the population's living conditions, especially:

a) better satisfaction of needs in the area of food;

b) strengthening the money-market equilibrium and reducing inflation, particularly by increasing deliveries of industrial products of primary significance, improving the quality and durability of products, and increasing the availability of repair services;

c) increasing housing repairs and housing construction;

d) increasing school construction for the rapidly growing population of young people of elementary school age;

e) continuing the activities on behalf of environmental protection, and expanding the material base for health care;

2) ensuring the continued growth of material production, especially by improving business efficiency, particularly through:

a) a growth in investment outlays that will make it possible to halt the process of disinvestment, modernize production assets, and make structural changes in the national economy, with particular consideration for the measures covered by the preliminary program for structural changes;

b) accelerating the adoption of the results of scientific development work, especially those which ensure a reduction of the use of fuel and energy, an improvement in quality, or an increase in the productivity of labor;

c) increasing Poland's share in the international division of labor, especially within the framework of the Council for Economic Mutual Assistance, by intensifying exports and increasing their effectiveness;

d) making better use of production capacity through the professional activation of the population, the resolution of bottlenecks in production capacities, and an improvement in the organization of production, turnover, and management;

e) strengthening economic equilibrium, especially the money-market equilibrium, and for this purpose improving the economic-financial system and increasing the effectiveness of influence upon economic entities in order to improve economic relations.

Article 4

1. In order to achieve the improvement in the population's living conditions, in accordance with the courses described in article 3 point 1, in 1986 it is necessary:

1) to increase consumption from the personal incomes of the population by 2.5 percent, and collective consumption by 2.1 percent;

2) to increase deliveries of goods to the market by 2.9 percent, including:

a) consumer goods by 2.8 percent, including food by 2.8 percent;

b) nonconsumer goods by 3.8 percent;

3) to intensify technological discipline in production, in order to improve the quality of products and to ensure full adherence to the regulations for the qualitative selection of goods by trade, and also to create conditions promoting the expansion and acceleration of the adoption of new technology, and the production of modern materials, subassemblies, and finished products;

4) to increase the supply of services provided to the population for pay by units of the socialized economy by 5.3 percent;

5) to repair and modernize 155,400 apartments;

6) to construct 135-140 thousand apartments within the framework of socialized construction, to create conditions permitting the construction of 58-60 thousand apartments within the framework of private construction, and to ensure the completion of unfinished apartments and conditions for shortening the construction cycle, in order to achieve an increase in housing construction in 1987;

7) as a result of the completion of investments, to turn over for use 2.9, thousand classrooms in elementary schools, to ensure the continuation in 1986 of the construction of 11.1 thousand classrooms, and to intensify the search, on behalf of elementary schools, for facilities to be taken over from other users;

8) to reduce the rate of the growth of prices for market products by about 1-2 percent in comparison with 1985, and to limit the growth of retail prices occurring after 1 January 1986 to the level of 8.5-9.0 percent; for this purpose it is necessary:

a) to establish rules and parameters regulating the growth rate of emoluments, in order to achieve a closer dependence of the growth of emoluments on the extent of the economic results achieved in the sphere of material production;

b) to keep the growth of the population's nominal incomes at a level not higher than the growth in the level of prices, in order to improve the relationship between the supply of market goods and services, and the population's current incomes, from 88 percent in 1985 to about 91 percent in 1986.

2. In order to preserve the market equilibrium in the event of an increase in the population's wages and other monetary incomes, not justified by an increase in market deliveries, the finance minister will undertake actions to ensure an increase in retail prices above the planned level, in proportion to this increase in the monetary incomes of the population.

Article 5

In order to increase the national income created in 1986 by 3.1-3.4 percent, it is essential that economic units achieve the following:

1) a reduction in the outlays for the creation of a unit of national income, including particularly a reduction in the consumption of fuel, energy, and raw and other materials covered by the central budget, leading to a reduction as a consequence of this in the following:

a) energy-intensiveness by 3.0 percent;

b) materials-intensiveness by 1.8 percent, and furthermore an increase in the productivity of labor by 3.0 percent; achieving higher indicators is a basic condition for fulfillment of the plan and should be treated by administrative bodies and enterprises as a principal task;

2) an increase in the domestic production of basic fuels, energy, and raw and other materials covered by the central budget, specified in annex no. 2 of the resolution;

3) an increase in the rate of productive utilization of reclaimed raw materials;

4) the introduction of new technology and products, including those covered by government orders in the area of the development of science and technology, which have fundamental significance for achieving an increase in the effectiveness of exports;

5) an 8.3 percent increase in exports to the first payments area, and at least a 3.8 percent increase in exports to the second payments area, which requires a corresponding increase in imports;

6) turning over investment installations for use and initial operation in accordance with the cycles established by the contracts, so that the increase in production capacity from this source in 1986 would amount to at least 250 billion zlotys;

7) an increase in the rate of the concentration of production in the most modern plants that manufacture products with low material and energy costs; this should particularly apply to the mineral, electrical machinery, chemical, and light industries;

8) an increase in the rate of utilization of fixed assets, among other things as a result of the organization of plant economic collectives.

Article 6

1. Ensuring that in 1986 the activities of enterprises are in accordance with the socioeconomic goals of the plan should be expressed above all through the enterprises' planning and carrying out the tasks specified in articles 4 and 5, and also:

1) through complete adherence to the principles of economic discipline, above all the principle of financing one's own expenditures, and also the proper ratio between the growth of emoluments and the growth of net production, and the principle of dividing the profit in a way that takes into account the need to ensure the development of the enterprise;

2) through refraining from the socially harmful practices of increasing one's own income at the expense of other economic entities, consisting particularly of:

a) a lack of concern for the development of the enterprise;

b) incorrect operation or neglect of repair work, leading to a premature consumption of the enterprise's assets;

c) neglect of activities aimed at raising workers' qualifications, or activities aimed at improving the safety and sanitary conditions of work;

d) a reduction in the quality of the products manufactured in comparison with the established standards and models and the contracts concluded;

e) calculating costs and setting prices in a manner bringing the enterprise undue profits;

f) the unpunctual and incomplete fulfillment of concluded contracts, and the breaking of coproduction contracts.

2. Parent bodies, inspection bodies, and prosecution bodies, each within their own sphere, will intensify preventive activities and activities aimed at rigorous enforcement of the sanctions that in accordance with the legal regulations should be applied in cases of the conduct of enterprises discussed in paragraph 1 point 2.

Article 7

1. In order to create conditions permitting an increase in economic efficiency, in 1986 it is necessary to continue the measures undertaken in the years 1982-1985 leading to structural changes in the economy, and to initiate further changes through investment measures within the framework of the preliminary program for structural changes in the national economy, which are discussed in annex no. 4 of the resolution.

2. Activities aimed at the structural changes discussed in paragraph 1 should be particularly oriented toward increasing the supply of profitable highly processed products for export; for this purpose, economic units should concentrate above all on measures to ensure a rapid increase in the following:

1) the production of modern materials with particularly beneficial useful properties that ensure an improvement in the quality of the final product and the possibility of an effective expansion of the range of the production of modern products;

2) the production of modern high-quality subassemblies for general application, which will result in the achievement of a high level of quality and operating characteristics that are important for the economy of the final products;

3) the production capacity in areas that constitute bottlenecks for the economy, which will make it possible to use the country's existing manufacturing potential more fully;

4) the production of goods that are characterized by reduced materials-intensiveness and energy-intensiveness in the phase of manufacture and use.

Article 8

1. In order to ensure full achievement of the basic tasks of the plan cited in articles 3-7, the bodies of the state administration, using the instruments for guiding the implementation of the plan that are specified in annex no. 3 of the resolution, and ensuring the allocation of material resources, especially raw and other materials, foreign exchange funds, and funds for investment purposes in accordance with the determinations in annexes 1 and 2 of the resolution, should create conditions that will permit the enterprises full achievement of the economic results specified in the plan, and should ensure the distribution of these results in accordance with the plan.

2. On the basis of article 52 of the law on state enterprises, the parent bodies should make assessments of the enterprises' projections for 1986, formulated in their draft plans, and they should provide the enterprises with

the conclusions resulting from these assessments, particularly with respect to the measures required for improving efficiency and for achieving the full consistency of the enterprises' projections with the goals of the Central Annual Plan.

3. In the assessments cited in paragraph 2, attention should be concentrated in particular on matters concerning the following:

- 1) the enterprises' planned growth rate for exports and imports;
- 2) the basic economic ratios characterizing the efficiency of the enterprises;
- 3) the enterprises' planned ratio between government orders and the tasks arising from operational programs;
- 4) the enterprises' planned tasks in the area of reducing manufacturing costs, including in particular decreasing the consumption of fuels, energy, and raw and other materials.

4. In the event that significant undesirable discrepancies are observed between the general courses for change in the national economy specified in the plan, and the projections of all or some of the enterprises, the proper parent bodies and other authorized bodies of the state administration should use the appropriate means of influence vested in them by law, of a general or individual nature, to oppose these unfavorable discrepancies, together with the means stipulated in the 29 June 1983 law on improving the management of state enterprises and on their insolvency (DZIENNIK USTAW No 36, item 165).

Section 3

Tasks in the Sphere of Material Production

1. Industry

Article 9

1. The basic task of industry is increasing export capacity, improving the effectiveness of exports and the competitiveness of Polish products in the world market, reducing the energy-intensiveness and materials-intensiveness of production, and also satisfying domestic demand more fully. In order to carry out these tasks, it is necessary to concentrate activities primarily upon the following:

- 1) accelerating the development of areas that contribute to technical and technological progress in the economy, with the simultaneous abandonment of the production and use of inefficient products, designs, and technologies;
- 2) making fuller use of the existing production capacity, especially due to the limitation and elimination of production bottlenecks and increases in the degree of the mechanization and automation of work.

2. Using the results of the activities discussed in paragraph 1, in 1986 it is necessary to ensure the following:

1) a 3.2-3.6 percent increase in industrial production, mainly through reducing the materials-intensiveness of production and increasing the productivity of labor;

2) full adoption of the new products and technologies cited in annex no. 1, and completion of the material tasks in the area of production investments, in accordance with concluded contracts;

3) an increase in the proportion of exports in total production.

3. In the event of an insufficient supply of spare parts, preventing the proper utilization of production machinery, equipment, transportation equipment, and durable goods, it is necessary to strive for an increase in the production and supply of spare parts, even at the cost of limiting final production.

Article 10

1. In the fuel and energy industry, it is necessary to strive to achieve an increase in production by at least 1.9 percent, while limiting the increase in the overall materials-intensiveness of production to 0.6 percent, and furthermore particularly stressing improvement of the structure of production and modernization of the production equipment, which should be manifested above all through the following:

1) an increase in the proportion of coking coal and hard coal in total coal mining;

2) expansion of the production of coke with higher useful parameters;

3) higher efficiency in the energy system as a result of continued modernization and the installation of modern equipment in power stations, heat and power stations, and heating stations, in electrical networks, and in the production of gas;

4) an increase in the proportion of brown coal in the production of electrical and thermal energy and the supply of fuel for the domestic market;

5) the implementation of measures for the development of nuclear energy;

6) an improvement in the quality of anthracite coal through full utilization of the existing capacity in plants for the mechanical processing of coal;

2. In the metallurgical industry, it is necessary to strive for an increase in production by at least 1.6 percent, in combination with a decrease in the total materials-intensiveness of production by at least 1 percent, while ensuring a parallel improvement in the structure of production and an increase in the use of energy-conserving and materials-conserving technologies, and

also improving working conditions and environmental protection. This should occur in particular as a result of the following:

- 1) the development of the production of products made from high-quality steels with higher durability characteristics;

- 2) the modernization of plants for the smelting and processing of nonferrous metals, leading among other things to an increase in the reclamation of accompanying metals in copper, zinc, and lead ores.

3. In the electrical machinery industry, it is necessary to strive for an increase in production by at least 5 percent, in combination with a reduction in total materials-intensiveness by at least 3 percent, while particularly stressing the strengthening of coproduction ties and ensuring an increase in the production of modern machines, equipment, and subassemblies:

- 1) ones that are profitable exports, and permit obtaining an improvement in the quality of the products manufactured;

- 2) ones that permit reducing energy-intensiveness and materials-intensiveness, and raising the productivity of labor throughout the entire economy;

- 3) ones that serve to ensure environmental protection, and also the development of a modern base of materials and electronic subassemblies and electronic equipment.

4. In the chemical industry, it is necessary to strive for an increase in production by at least 5.4 percent, in combination with a reduction in the total materials-intensiveness of production by at least 1.5 percent, while paying particular attention to the following:

- 1) ensuring an increase in the supply of basic chemicals and materials, including particularly mineral fertilizers, pesticides, plastics and synthetic fibers, auxiliary funds, synthetic rubber and industrial carbon black, and pharmaceutical products;

- 2) development of the base of semimanufactures for the detergent, lacquer product, pesticide, and pharmaceutical industries;

- 3) mastering the technology for and preparing for the production of low-weight plastics with high useful values, chemicals for electronics, catalysts for chemical and refinery processes, new medicines, and chemical products required in waste purification processes.

5. In the minerals industry, it is necessary to strive for an increase in production by at least 4.3 percent, in combination with a reduction in the total materials-intensiveness of production by at least 0.9 percent, while aiming primarily at:

- 1) increasing the supply for providing the country with wall, binding, and insulation materials, and drainpipes;

2) intensifying the production of wall and roof materials from local raw materials;

3) ensuring the hermetic sealing of production units in plants for asbestos and cement products, in order to eliminate the harmful effect of asbestos on the health of the employees;

4) reducing the use of the energy-intensive wet method in the production of clinker.

6. In the wood and paper industry, it is necessary to strive for an increase in production by at least 5.7 percent, in combination with a reduction in total materials-intensiveness by at least 1.5 percent, while stressing the following:

1) better use of the production capacity of the furniture industry, in order to increase the supply of furniture for export and for the domestic market;

2) increasing the extent of the utilization of wood raw materials by developing the production of wood semimanufactures and refined hardboards;

3) increasing the use of scrap paper in the cellulose-paper branch;

4) the conservation of water, and limitation of the negative effect of production on the environment.

7. In light industry, it is necessary to strive for an increase in production by at least 4 percent, in combination with a reduction in the total materials-intensiveness of production by at least 1.8 percent, while paying particular attention to the following:

1) increasing the production of semifinished products, the lack of which limits the possibilities for an increase in the production of consumer products that are in demand. This particularly applies to cotton and wool yarn and soft leather;

2) surmounting the barrier obstructing an increase in production that is represented by the labor shortage, through improvement in the organization and mechanization of labor and the installation of more productive machinery and equipment for production;

3) increasing service processing for export.

2. Construction

Article 11

1. In 1986, construction-installation work in the socialized economy should be increased by 3.5 percent, including a 3 percent increase in work performed by construction-installation enterprises, while simultaneously reducing the materials-intensiveness of construction production by 2.5-3.0 percent with respect to materials covered by the central budget.

2. The basic task in production is:

- 1) ensuring an improvement in the efficiency and quality of the work;
- 2) developing the operational potential of specialist enterprises, mainly engineering, installation, and repair ones, and also creating and developing small state, cooperative, and craft construction enterprises;
- 3) more widely adopting energy-conserving and materials-conserving design and operational solutions, with particular consideration of solutions ensuring a reduction in heat losses;
- 4) fully instituting standards for the consumption of production factors, and detailed cost accounting;
- 5) increasing effective exports of construction services.

3. Food Industry

Article 12

The basic task in the area of the food industry, in accordance with the resolution of the joint 11th Plenum of the PZPR Central Committee and the NK ZSL, is making further progress in achieving food self-sufficiency, i.e. improving the satisfaction of the food needs of the population, while reducing the negative balance of the growing foreign turnover with food and agricultural products, which should be accomplished mainly by:

- 1) ensuring conditions favoring an increase in agricultural production, including ensuring the profitability of agricultural production and the parity of the incomes of the agricultural population with those of the nonagricultural population under conditions of efficient production;
- 2) limiting losses of agricultural products, and accelerating the development of the base for the storage and processing of agricultural products.

Article 13

1. It is necessary to create conditions that favor achieving the following in 1986:

- 1) crop production that is at least 100-103 percent of the production achieved in 1985;
- 2) livestock production that is at least 102.4 percent of the production achieved in 1985.

2. In order to complete the tasks discussed in paragraph 1, it is essential:

- 1) to increase deliveries of mineral fertilizers with a pure NPK composition to the amount of 3,560,000 tons, and deliveries of calcium fertilizers to the amount of 2,980,000 tons, on the proper schedule;

- 2) to increase deliveries of pesticides in active form to the amount of 12,500,000 tons, on the proper schedule;
- 3) to ensure the reclamation of 110-120 thousand hectares of arable land, including 85-93 thousand hectares of new drainage; for this purpose, the government order for the construction of water equipment for land reclamation is being kept;
- 4) to achieve a further increase in the proportion of intensive grains in the structure of the crops, especially wheat, barley, and triticale, and in the proportion of sugar beets;
- 5) to achieve an improvement in the balance of fodder protein by increasing domestic production of leguminous crops;
- 6) to adapt the directions of the development of cultivation and sowing work to the desired changes in the structure of crops, while giving consideration to the improvement of the qualitative characteristics of plant products corresponding to processing requirements;
- 7) to extend to an acreage of not less than 800,000 hectares the application of the technology for the comprehensive chemical protection of grains, especially wheat and barley, in proportion to the increase in deliveries of tractor sprayers;
- 8) to provide agriculture with machinery, tractors, and equipment in an amount 5.5 percent larger than in 1985, and spare parts in an amount 11.8 percent larger, on the proper schedule;
- 9) to expand the scope of the modernization conducted in the electrical network in rural areas, and to achieve an improvement in the supply of water to villages and agriculture, in combination with the purification of sewage;
- 10) to increase deliveries of protein fodders from the state stocks to the amount of 4,700,000 tons;
- 11) to continue comprehensive activities aimed at improving the regional structure of farms, among other things by intensifying work on mergers and on regulating property relationships;
- 12) to intensify activities aimed at protecting land used for agriculture from unfavorable effects from industry, and from appropriation for nonagricultural purposes;
- 13) to increase deliveries of technological equipment, packaging materials, and packages for the food industry;
- 14) to ensure the further development of services, especially mechanization ones, for agriculture.

Article 14

In order to limit the most severe losses of agricultural products, it is necessary:

- 1) to increase deliveries of equipment for steps to protect crops, on the proper schedule;
- 2) to develop specialist chemical services;
- 3) to intensify activities aimed at reducing losses during the harvests, collection, and transportation of agricultural crops, and at developing the storage base;
- 4) to maintain the priorities in the development of production capacities and in the modernization of the milk, grain-milling and baking, fat, fish, refrigeration, potato processing, and fruit and vegetable industries;
- 5) to disseminate knowledge of efficient methods of harvesting and storing fodder.

4. Forestry

Article 15

1. In the area of forestry, the main effort should be concentrated on improvement of the sanitary state of forests, the efficient collection of wood raw materials, mainly through sanitary clearing, the performance of afforestation and reforestation, and the protection of forests against the harmful consequences of emissions of industrial gases and dusts.
2. The collection of wood should amount to a total of 23.8-24.8 million cubic meters, including between 12 and 15 million cubic meters from sanitary clearing, and afforestation and reforestation should cover an area of about 68 thousand hectares.
3. In order to improve the forest industry, it is necessary to strive for further modernization of the technical base for forestry, in order to permit an increase in the productivity of labor and an improvement in working conditions, and improvement and expansion of the road network, in order to make proper exploitation of the forests possible.

5. Transportation

Article 16

The basic task in the area of transportation is ensuring the transportation of freight in accordance with the growing socioeconomic needs, making fuller, more rational, and efficient use of rolling stock and transportation equipment, achieving conservation of fuel and energy, improving road services and the protection of freight, and in the area of the maritime economy, ensuring the transportation of Polish goods and maximizing foreign exchange income from the transportation of foreign freight, particularly transit freight.

Article 17

1. The performance of the tasks discussed in Article 16 should be achieved, among other things, through the following:

- 1) reducing the total materials-intensiveness of transportation services by 0.3 percent;
- 2) reducing the number of technically inefficient freight cars by 5.4 percent;
- 3) shortening the average turnover time for freight cars by 1 percent;
- 4) increasing the average capacity of a freight car by 0.9 percent;
- 5) gradual structural changes in the truck fleet, permitting a reduction in fuel consumption and an increase in the extent of this fleet's readiness for transportation;

2. In order to ensure the performance of the transportation tasks discussed in paragraph 1, it is particularly necessary to do the following:

- 1) ensure deliveries of rolling stock from domestic production and imports, in accordance with the operational program for railroad and highway public transportation;
- 2) perform periodic maintenance on 78,000 freight cars, replace the tracks on 2500 kilometers of railroads, replace 4,200,000 railroad ties, and electrify another 500-600 thousand kilometers of railroad lines, increasing the network of electrified railroad lines by 6.7 percent.
- 3) perform investment, modernization-investment, and repair work on a total of 2,800 kilometers of Polish roads, and modernize 3,800 meters of bridge installations along these roads.

6. Communications

Article 18

1. It is necessary to continue activities aimed at maintaining a high level of growth in the number of telephone subscribers, and also at improving the promptness of deliveries of postal parcels and the availability of postal services.

2. In particular, it is necessary to do the following:

- 1) connect at least 130,000 new subscribers to the telephone network, which means an increase of more than 5 percent in the number of people with telephones;
- 2) increasing the efficiency of the activities of the postal service, among other things by expanding and modernizing post offices.

3. Within the framework of the tasks defined in paragraph 2, it is necessary to strive to accelerate the pace of the development of telephone communications in rural areas.

Article 19

In the area of radio communications, it is necessary to aim in particular at improving the selection of television programs, and especially to expand the scope of program II, and at improving the selection of medium-wave and UHF radio programs.

7. Foreign Trade

Article 20

The basic task in the area of foreign trade is achieving a high level of exports, and also to increase their effectiveness.

Article 21

1. In accordance with the determinations made during the coordination of the multiyear socioeconomic plans with the member countries of the Council for Economic Mutual Assistance, exports to the states in payments area I should reach a value of about 10 billion rubles in 1986, imports from them 10.8 billion rubles, and the surplus of imports over exports, about 0.8 billion rubles.

2. A particularly high growth should be ensured in exports of products that are covered by agreements on long-term specialization and coproduction, and on research and development projects.

3. The value of exports to the USSR should reach 6.2 billion rubles, and the value of imports from it should reach 6.9 billion rubles.

4. In order to achieve the projected turnover in foreign trade with the member countries of CEMA, it is necessary to intensify cooperation through fuller utilization of such forms of it as the direct cooperation of enterprises, the creation of joint enterprises, the joint performance of investment undertakings, and closer economic cooperation in border areas.

Article 22

1. Exports to the states in payments area II should amount to at least \$6.3 billion.

2. The positive balance in trade turnover with the states in payments area II should amount to not less than \$1.5 billion, and the negative balance in trade in food products should not be more than \$0.1 billion.

Article 23

1. An allocation of \$2.4 billion is being made for imports of centrally budgeted goods from payments area II. (...)

8. Material-Technical Supply

Article 28

1. The supply of basic fuels, energy, and raw and other materials covered by the central budgets designated in annex no. 2 of the resolution should be increased as follows:

- 1) for supplying the country as a whole, 2.1 percent;
- 2) for production purposes, by 1.7 percent;
- 3) for supplying the market, by 3.3 percent;
- 4) for exports, by 0.8-2.3 percent.

2. By 31 March 1986, the chairman of the Planning Commission of the Council of Ministers, by agreement with the Minister of the Materials and Fuel Economy, will perform a verification of the central budgets for fuels and raw and other materials for the purpose of economizing on inventories that can be reassigned for additional exports to payments area II; the foreign exchange obtained in this way is to be allocated, among other things, for raising the foreign exchange limits set for performance of the tasks resulting from Council of Ministers resolution no. 36 of 22 March 1985 on the subject of improving the country's supply of products for forestry and intensifying exports of these products. (...)

Article 30

1. The basic condition for achieving the growth in material production and national income projected in the plan is achieving the planned improvement in the efficiency of the use of fuels, energy, and raw and other materials.

2. The parent agency of enterprises will undertake appropriate activities to ensure the performance of conservation tasks in the areas of fuels, energy, and raw and other materials, and to achieve economies of at least the extents cited in the plan, including particularly a 2 percent reduction in the materials-intensiveness of industrial production and a 2.5-3.0 percent reduction in the production of construction-installation enterprises, and a 3 percent reduction in the energy-intensiveness of industrial production; the government representative for conservation matters will ensure the coordination of these activities. (...)

Article 31

1. In order to balance the fuel and energy budget in 1986, the Minister of the Materials and Fuel Economy is to adjust the limits on the consumption of fuels and energy by consumers in the sphere of material production to the

economic conditions in 1986, so that consumption, in relation to what is projected for 1985, will not be greater than:

- 1) 97.4 percent for hard coal (deliveries);
- 2) 102.8 percent for electricity;
- 3) 110.4 percent for high-methane natural gas;
- 4) 100.0 percent for nitrified natural gas;
- 5) 96.4 percent for fuel oils.

2. Enterprises are to undertake activities to prepare for changes in the consumption of the energy sources cited in paragraph 1, based particularly on strengthening the technological system and undertaking conservation measures and other activities, so that the changes in the supply of the energy sources cited in paragraph 1 will not disrupt the process of the planned growth of production in 1986 and in the following years. (...)

9. Domestic Trade and Services

1. The basic task in the area of domestic trade is action to achieve a better balance in the domestic market, and an improvement in the level of trade service by:

- 1) increasing the supply of goods and services, and adapting its structure to the requirements of the market;
- 2) influencing demand and forming an economically frugal structure of consumption;
- 3) increasing inventories of goods at trade and service establishments, in order to make the serving of customers more efficient;
- 4) developing modern forms of marketing and the material-technical base in domestic trade and services, to an extent that is at least equivalent to the natural decrease in the base and the growth in the size of the population;
- 5) increasing the extent of the packaging of bulk food products;
- 6) improving the profitability of trade in food products, as a result of reducing one's own costs and increasing margins, both of which will make possible, among other things, a further reduction in the extent of central guidance of the market supply.

2. In order to ensure the proper conditions for the development of private housing construction and repairs to housing in the possession of the population, and in order to ensure the complete fulfillment of agreements on contracting for agricultural products, the proper bodies in the state administration will ensure full adherence to the decisions concerning:

1) the delivery of construction materials allocated for the market only to customers in the market;

2) the priority in receiving deliveries of coal that should be guaranteed for coal customers on the basis of the completion of food deliveries covered by a contract for agricultural products.

10. Science and Technology

Article 34

1. The activities in the area of the development of science and technology should ensure an improvement in business efficiency, a strengthening of economic equilibrium, better satisfaction of social needs, and a modernization of the economy.

2. The selection of undertakings in the field of science and technology should be subordinated to performing the tasks in regard to structural changes, surmounting development barriers, reducing the energy-intensiveness and materials-intensiveness of production, improving the quality of goods and modernizing them, and increasing the productivity of labor.

3. The central tasks in regard to the development of science and technology, which will be defined in the central programs for basic research, the central research and development programs, government orders, ministry programs for basic research, ministry research and development programs, and also the principles for financing them, should be subordinated to achieving the main socioeconomic goals of the plan.

Article 35

1. In order to create conditions for the development and introduction of scientific and technical progress in the national economy, outlays of 2.2 percent of the national income available for distribution will be allocated for research and development activity.

2. In order to ensure the financial resources for fulfillment of the central tasks with respect to the development of science and technology, the minister heading the Office of Scientific-Technical Progress and Innovations will prepare a draft law on the creation and principles for the management of the following:

1) a central fund for research and development work;

2) a central fund for promoting innovations.

3. The funds cited in paragraph 2 should be supplied with the following resources:

1) from the fund for technical-economic progress, in the amount of 50 percent of the sums deducted at state enterprises;

2) those resulting from additional levies upon state enterprises at which a fund for technical-economic progress has been created and is a burden on production costs, in the amount of 0.5 percent of the value of the production sold by these enterprises, and which are transferred to the central fund for the promotion of innovations, or are used to supplement the central fund for research and development work;

3) from budget allocations.

4. The payments into the funds cited in paragraph 3 are transferred by the enterprises on a monthly basis.

5. The president of the Polish National Bank is advised to issue credits in 1986 for the fulfillment of government orders related to innovations.

6. The minister heading the Office of Scientific-Technical Progress and Innovations is authorized to use the resources of the central fund for promoting innovations, in the amount of 15 billion zlotys, for:

1) subsidies for units of the socialized economy for the purpose of the payment of part or all of the interest on the credits cited in paragraph 5;

2) granting loans to units of the socialized economy which do not meet the conditions for obtaining credits;

3) granting subsidies to cover part or all of the costs of innovation work ending with a negative result.

7. The sum of 153 billion zlotys will be allocated to finance research and development work within the framework of the central tasks with respect to the development of science and technology that were cited in article 34 paragraph 3; the distribution of these funds among the main recipients is to be made by the Presidium of the Committee for Science and Technical Progress of the Council of Ministers. (...)

Article 37

1. It is necessary to continue work on geological research, prospecting, and identifying mines, in order to ensure the conditions for the further development of the national economy. (...)

Section 4

Division of the National Income

1. Proportions of Distribution

1. In view of the planned growth in the national income produced, amounting to 3.1-3.4 percent, and the increase in the servicing of foreign debt assumed in the plan, it is estimated that the national income available for distribution can be increased in 1986 by at least 3 percent.

2. It is necessary to ensure the following proportions in the distribution of the national income:

- 1) consumption fund, 74.2 percent, including:
 - a) consumption from personal incomes, 61.9 percent;
 - b) other consumption, 12.3 percent;
- 2) capital formation fund, 25.8 percent, including:
 - a) net investment outlays, 18.6 percent;
 - b) increase in stocks and reserves, 7.2 percent.

2. Investments

Article 39

1. Investment outlays in the national economy should be increased by 4.2 percent, i.e., to 2,550 billion zlotys in 1986 prices.

2. Within the framework of the total amount of investment outlays in the national economy, the structure and growth rate of investment outlays, divided among the basic decision-making levels, should be as follows:

total outlays: structure 100 percent, growth rate 104.2 percent, including (respectively):

- 1) central investments, 10.0 and 106.8 percent;
- 2) investments by budget units, 4.7 and 102.3 percent;
- 3) investments by local authorities, 10.5 and 103.2 percent;
- 4) investments by state and cooperative enterprises, 50.8 and 104.3 percent;
- 5) investments in the nonsocialized economy, 18.9 and 104.4 percent.

Article 40

1. Within the general limits of the amounts of the investment outlays cited in article 39, it is necessary to ensure a more rapid increase in outlays for the sphere of material production, i.e., a total of 4.7 percent, including 4.3 percent for industry and 5 percent for agriculture.

2. In order to accelerate the modernization of production assets and increase the effectiveness of investment outlays, it is necessary to ensure a more rapid rate of growth in the socialized economy's outlays for the purchase of machinery and equipment, which should amount to about 6.1 percent, while simultaneously limiting the growth rate of outlays for construction-installation work to at most 2.7 percent.

3. Investment outlays in the sphere of social consumption should be increased by about 3.1 percent, including 4.5 percent for the housing economy and 4 percent for education and upbringing. (...)

Section 5

Final Regulations

Article 60

The annexes of the resolution cited in article 1 paragraph 1 are as follows:

- 1) annex no. 1 -- Basic Indicators
- 2) annex no. 2 -- Material Supply
- 3) annex no. 3 -- Instruments for Guiding Fulfillment of the Plan
- 4) annex no. 4 -- Information-Predictive Indicators. (...)

Article 63

The Minister of Labor, Wages, and Social Affairs, after consulting with the Nationwide Agreement of Trade Unions, will present to the Council of Ministers a list of the work institutions of basic importance for the national economy or the defense of the country, or public services, in which it is possible to use an increased working time of up to 8 hours per day and 46 hours per week, as described in article 33 paragraph 2 point 2 of the 26 February 1982 law on socioeconomic planning, along with a draft for a corresponding decree by the Council of Ministers. (...)

Article 65

1. In accordance with article 19 of the 26 February 1982 law on socioeconomic planning, state enterprises and other units of the socialized economy will provide the Planning Commission of the Council of Ministers and their parent agencies with a report on selected elements of their own plans, in the manner, time, and scope established by the chairman of the Planning Commission of the Council of Ministers.

2. The units cited in paragraph 1 will send corresponding reports on their plans:

- 1) to the proper local fiscal chambers and offices;
- 2) to the local bodies of the state administration at the provincial level, in regard to goals that have a fundamental effect upon the socioeconomic development of the province and the natural environment, and in regard to investments. (...)

Article 73

The resolution goes into effect on the day of its adoption.

OBSTACLES TO HIGHER AUTO EXPORTS ANALYZED

Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian 2 Feb 86 pp 16-18

[Article by Dusan Sekulic: "To What Extent is the 'Yugo' Yugoslav?"]

[Text] Improbable as it may seem, the impression prevails that Americans have been more energetic and more coordinated than Yugoslavs in the "business of the century," the sale of our Yugo automobile in the United States, at least to judge by what has been heard and seen so far. Of course, the huge slogans on the walls of the Zastava factory, reflecting pride but also the seriousness of this undertaking, seem neither disgusting nor propagandistic, despite their archaic quality; they are a sign that Zastava workers and all Kragujevac are living for this business of the century and will long continue to do so. Still, all of this is difficult to compare with organizational arrangements and publicity on the other side of the Atlantic.

In the meantime, the present U.S. ambassador seems to be continuing the tradition begun by his predecessor Eagleburger. Ambassador Scanlan recently visited the May 21st engine works, which was no accident in view of the embassy's plain interest in the fate of the Yugo: Two automobiles from Kragujevac stand parked in front of the embassy in Belgrade, one of which belongs to the ambassador's sons. It is an open secret that the whole business between Zastava and Americans was initiated directly by Laurence Eagleburger, who even invested his own capital in "Jugo-Amerika." No one is likely to admit nowadays, but probably no one would have thought seriously about selling cars to Americans in the absence of the American offer; until recently, something on this order would have been thought to be like trying to sell sand to Arabs.

Troubles on the Horizon

The Americans were guided, obviously, by two motivations. The first is surely the possibility of profit, the second their awareness that their debt can be repaid only if we can earn dollars. In this context, we should not lose sight of the fact that our "business of the century," even when the annual export level reaches the improbable figure of 150,000 cars to the U.S. market, will not represent anything particularly large scale in American terms. The U.S. market absorbs more than 10 million new cars annually.

Several more trials await the Zastava works on the way to that goal. Only token quantities have been sent to the U.S. market so far, yet 60,000 cars are supposed to be shipped there in 1986.

Zastava exports totaled 43,000 cars in the record year of 1985, yet 100,000 are supposed to be shipped to foreign markets in 1986, 60 percent of them to the United States. Of course, the Americans themselves asked for 120,000. Extraordinary advertising and the attractive price of the "young fellow from Kragujevac" have generated tremendous demand in the United States, as witness the survey that showed that the Yugo is among the 10 most-wanted items on the huge U.S. market. Waiting in line for a car, not a particularly durable consumer good there, is an uncommon phenomenon. To be sure, people will wait a while for exclusive European models such as Mercedes, Porsche, or BMW. People are still willing to wait for the Yugo, but no one has any illusion that the waiting can be prolonged, regardless of the "hit" status of the Yugo. Zastava has simply been incapable of undertaking the obligation to ship more than 60,000 cars in 1986. The force does not exist that can explain to Americans why sought-after merchandise cannot be manufactured in the quantity demanded by the market.

While these peculiar negotiations between the Kragujevac people and the Americans were proceeding outside public view, they seeking to buy and we persuading them not to ask for more, Yugoslavia got excited just before New Year's over the unique scandal deriving from the relations between "Crvena zastava" and IMV of Novo Mesto. The whole business was soon the subject of serious political discussions among the republics and at federal level. Many important details are still in the dark at this moment, but Zastava seems to have sought an opportunity for cooperation with IMV to be able to meet American demands for the "business of the century," since the factory in Novo Mesto is running terrific losses. The Slovenes responded to this initiative by announcing their negotiations with the Japanese about manufacturing a vehicle jointly! What is truly happening in the Kragujevac-Novo Mesto-Tokyo axis remains unknown, as does the outcome. A kind of embargo is in effect, but the rumor has spread that nothing has come of the Japanese connection. At the same time, Zastava is obviously not counting on cooperating with the Slovenes.

The Americans, realizing that Zastava capacities are indeed limited, made the most logical move: They offered to invest money in new manufacturing facilities for the Yugo. They undoubtedly put the same question to the Kragujevac people as we did: Why should that investment not be sufficient to manufacture right away as many cars as the market can absorb? The answer from Kragujevac is that we accept only what we can guarantee to produce, provided that the factory remains ours.

Dollar Per Hour

In the meantime, Yugoslavia has begun keeping track of Americans as well. Once the sobering realization occurred in January in relation to utterly unconfirmed hopes that new regulations on foreign trade and foreign exchange would provide everyone with adequate foreign exchange despite the old mode of

work, the fact became increasingly obvious that Yugoslavia lacks true products for the world market other than Elan skis and the Yugo. Awareness of what the Yugo signifies is now reflected in the efforts of coordinating agencies to keep track of exports to the United States, in a number of republics but not at federal level. A consortium of 34 banks is being established to finance the construction of new export facilities. At the Zastava works, one notices immediately that the new business has been understood and accepted very seriously. People are selected most carefully for the Yugo assembly line, although factory officials energetically deny rumors of "special treatment for cars for the American market" to the detriment of production for the domestic market, as well as a rumor that assembly workers are even subject to a police check. Fairy tales about the American company representative living in an "ethnic house" in Kragujevac, once prepared for other purposes, with pay in excess of the equivalent of 2 million dinars, are further evidence that nothing happens in our country without folklore. Otherwise, the Americans who have been writing a lot about the Yugo, and in that context about Yugoslavia, never refrain from mentioning that the Yugo is manufactured by people paid a dollar an hour, while a U.S. worker in a comparable position earns \$15 an hour. Director Slavoljub Vasic of the auto factory recently tried to explain to a U.S. television interviewer that a simple comparison of the charge per hour distorts the picture. Whether this explanation will be broadcast is another question, but the fact remains that Kragujevac workers' pay serves the same purpose to Americans as our complaints that they persecute blacks does to us. And with the same effect: The demand for the "first communist car" in the United States is insatiable for the moment.

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LOCAL ADMINISTRATION OF AGRICULTURE SEEN INCREASING

Potsdam STAAT UND RECHT in German Vol 35 No 2, Feb 86 pp 119-127

[Article by Prof Dr Rolf Steding, of the GDR Academy of Political Science and Jurisprudence: "On the Responsibility of Local State Organs for the Comprehensive Intensification of Agriculture"]

[Text] In preparing the way for the 11th SED party congress, Erich Honecker stated that "the GDR has all the makings of maintaining--so as not to say, sharply accelerating--its high rate of economic growth in the future...The most important thing is to assure this economic growth in the future by means of comprehensive intensification."¹ In order to make sure that these wide-ranging goals are met our legislation has increasingly been focused on the implementation of the economic intensification plans of the SED. One such piece of legislation is the law dealing with the responsibilities of the local administrations, dated 4 July 1985, [GöV],² the essential purpose of which is "to increase the contribution made by the local administrations to the implementation of the new stage of the economic strategy."³

One important aspect of the GöV consists in raising the responsibility of the local administrations for the intensification of agriculture. This is reflected in particular in Article 3 of the said law which requires the local administrations to implement comprehensive intensification as part of the economic strategy in their area of responsibility and to tap into all local resources for the purpose of developing economic efficiency as well as to assure the supply of foodstuffs to the population and raw materials to industry (based on planning goals) by means of steady growth in agricultural output and efficiency.

The qualitative aspects of the GöV have a particular impact on the possibilities for active input by the local authorities into the economic intensification process and make it plain that "high priority must be given to all elements of the implementation of the economic strategy by all local authorities--ranging from the acceleration of scientific-technological progress to the full and effective use of the labor potential."⁴ This applies in particular to agriculture which is one of the crucial areas of the national economy the central government's direction of which is in large measure funneled through the local administrations. It therefore stands to reason

that the new law not only took over a good many tried-and-true regulations of the past but also opened up new avenues to the local authorities in some instances to play their part in the intensification of agriculture.

A New Type of Intensification in Agriculture--Greater Demands PLaced on Government Direction

The new GÖV law reflects the new quality of intensively expanded economic reproduction. In agriculture, it calls for the development of a new intensification scheme which focuses on saving funds and resources. This is a multifarious process "which proceeds gradually and will take some time. The magnitude of this process becomes apparent, among other things, when one considers that the economic transformation must be accelerated as part of intensively expanded reproduction and must be implemented with a high degree of stability even while the required output levels are maintained."⁵ This also has certain consequences for the government direction of agriculture. The aim will be to bring the activities of the government authorities responsible for agriculture in line with this new type of intensification and its ramifications. The new law represents an important step in this direction.

Albeit in different ways, the GÖV has focused the attention of all local socialist authorities on the development of comprehensive intensification in agriculture. Article 29 of the law calls on the district councils to implement the complex development of natural and economic production conditions, the implementation of scientific-technological progress and the planned and proportional development of plant and animal production. Article 47 instructs the Kreis councils to concentrate on the increasingly complete development of territorial resources, on the complex mobilization of qualitative growth aspects and the efficient use of arable land. Article 70 of the law instructs the community councils to concentrate on the organization and use of local resources in order to develop high-efficiency plant and animal production.

The law calls on the local authorities to concentrate on economics to a far greater extent than heretofore and to make them the focus and guiding principle of their agricultural activities. What this means in particular is that they should pay increased attention to the need for economic efficiency in the agricultural reproduction process, e.g. that they could contribute greatly to the comprehensive development of resources conducive to lowering costs such as the implementation of territorial production organizations; the further intensification of cooperative arrangements or the optimization of all types of transportation facilities. The law calls on them not only to require cost estimates from the agricultural producers themselves but also from the local government authorities as part of the decision-making process and to justify government decisions from the economic point of view so that they filter down to the LPG's, the VEG's and their cooperative partners and there will be no need for administrative "intervention" to have them implemented.

One important aspect of the role to be played in the direction of the agricultural intensification process by the local authorities consists in their taking into consideration that while the general rules applying to intensively expanded reproduction do remain in force, they will also have to observe the objectively conditioned specifics of their operation in the field of agriculture. "These peculiarities are based on the fact that the forces of nature and their increasingly better utilization are and will continue to be a major factor in agricultural output."⁶ The local authorities are therefore called upon "to view the agricultural reproduction process to an even greater extent as an insolubly linked labor and natural process." This also means that factors such as yield risk, degree of socialization and campaign work and their impact on agricultural intensification must be taken into consideration and better understood.

The responsibility of the local authorities for agricultural intensification also focuses on the factors on whose development the process must concentrate. Since our agriculture is cooperatively organized for the most part, the local authorities must assign priority attention "the increasingly effective use of all the resources inherent in cooperative property."⁸ This is reflected in the conceptual agreement of the new law with the provisions of the LPG law of 2 July 1982. Thus, Article 3 of the LPG law which assigns overall responsibility for the development of the LPG's to the socialist state is spelled out and specifically assigned to the local authorities in Articles 3, 29, 47 and 70 of the new legislation.

Development of Cooperative Arrangements--An Important Aspect of Government Activity

The intensification of cooperative arrangements is part of the conditions under which agricultural intensification is taking place in the GDR. The local authorities have a major role to play in their development as a part of their direction of agricultural activities. Through their actions, they must create the necessary conditions for the development of cooperative undertakings. This applies in particular to the government authorities at the Kreis level which will make use of all means of government activity to achieve this goal--drawing up long-range plans for the development of agriculture in their area, using this as a tool "for overall, long-term intensification;"¹⁰ drawing up plans for the proportional development of plant and animal production as well as outlining and directing the activities of the cooperatives and their members.

For this reason the law states that the Kreis parliament and its council shall, among other things, promote the continued intensification of the cooperative relations of the LPG's and VEG's; manage the cooperation among all the cooperatives, production facilities and institutions engaged in the uniform agricultural reproduction process in the Kreis and make the uniform agricultural reproduction process more efficient. This is spelled out in Article 47 of the GÖV. In contrast to the law of 12 July 1973¹¹ this provision of the new law upgrades cooperation to the level of a major

aspect of governmental activity. But this does not alter fact that the LPG's and VEG's continue to figure as the basic units of agricultural production and that they must be strengthened through the intensification of cooperative relationships in their legal independence and economic autonomy.

Primarily, the local authorities' responsibilities for the development of the cooperative relationships of the LPG's and VEG's consists in creating the conditions for the development of effective cooperative relationships and providing good advice to the cooperation councils. But the problem is how to assign government organizational control to the LPG's and VEG's in every instance because, as Erich Honecker said at the 10th session of the SED central committee, "it has worked out well that the LPG's and VEG's were further strengthened and that they intensified their cooperative relations to mutual advantage. The stability of the LPG's and VEG's as well as their increased legal and economic autonomy have had a favorable impact on continued intensification."¹² This aspect is of conceptual significance for the activities of the local authorities which are directed toward the development of cooperative relations of the LPG's and VEG's.

To a large extent, the effectiveness of the intensification process in agriculture depends on the degree of success in developing effective cooperative relations by the LPG's and VEG's. This is one reason why active participation in the establishment of cooperative relations by the local authorities is an important key to the direction of the intensification process in agriculture. This applies in particular to assigning the appropriate ratios to plant and animal production; to the implementation of scientific-technological progress and the centralization of specific managerial functions within the context of cooperative undertakings as well as to the skill of the cooperation councils in establishing relatively closed circuits of intensively expanded reproduction even while preserving the independent legal status and economic autonomy of the LPG's and VEG's.

Experience has shown that these programs will succeed best of all when the cooperation councils are given a large measure of support; when they are given a role to play in analysis and conceptual planning; when the councils are under the operational control of the authorities; when there is competition among those involved in the cooperative venture and when government functionaries are given the job of providing instruction to the councils. Another indispensable factor for the success of overall intensification in agriculture is state planning at the Kreis level to assure balanced development of cooperative undertakings. The new (GöV) law virtually prescribes this type of operation-oriented control function on the part of the local authorities.

New Responsibilities of Government in Controlling Scientific-Technological Progress

At its 11th meeting in November 1985, the SED central committee took note of the fact that "the move toward comprehensive intensification has now been completed...in agriculture, too. The utilization of qualitative growth factors has become a determinant in the intensification process."¹³ This makes it necessary to assign higher priority to and to increase utilization of science and technology in agriculture. This is reflected in specific ways in Articles 3, 4, 29 and 47 of the new law which call on the local authorities (particularly at the district and Kreis level) to step up their efforts aimed at implementing scientific-technological progress in agriculture. The law therefore calls on the local authorities to assign a higher priority to this primary factor of the intensification process, which is of crucial importance for the solution of all other problems.

Evidence of the importance of this factor is the fact that given the present state of intensification any further rise in agricultural production can only come about as a result of the utilization of key technologies such as microelectronics, genetic engineering, biological process control or biotechnology. "These key technologies," said W. Felfe, "guarantee better utilization of biological growth factors...The success of comprehensive intensification in agriculture will depend to a large extent on how quickly we adjust to this state of affairs during the next few years."¹⁴ This means that ways will have to be found to penetrate the circulation of nature with science and technology to an heretofore unheard-of extent.

Comprehensive utilization of scientific-technological progress in agriculture calls for specific scientific-technological solutions because of the close interrelationship between the economic and the biological reproduction process peculiar to agriculture as well as for a particularly close connection between science and production and a particular type of government direction. In contrast to industry, a new scientific finding in agriculture or a technological program or innovation can be applied a thousand times over, e.g. in all the LPG's and VEG's engaged in similar production programs. This calls on the local authorities in agriculture to step up their efforts to implement scientific-technological progress and to generalize the expertise acquired in the process.

One other difference to industry--where the combines have their own research and development programs--is that agriculture can call on its specialized research institutions, e.g. the academies of agricultural science with their affiliated institutes and facilities, specialized universities and technical schools and the scientific-technological centers operated by the district councils. Since the establishment of close ties between science and production is indispensable, the local

authorities have a special responsibility for organizing and coordinating these activities. This includes the implementation of scientific-technological program planning down to the LPG and VEG level; the enhancement of the activities of the scientific-technological centers with regard to the support of management procedures aimed at translating scientific-technological progress into production processes and the generalization of advanced techniques in their application in science and technology by drawing on consulting organizations and demonstration projects.

To be sure, the local authorities have only a limited role to play in the effective implementation of the science-technology-production cycle because some of the major contacts in this process are handled directly by scientific institutions and agricultural organizations. Nonetheless, the possibilities open to the local authorities (also with the help of the new legislation) are quite varied and have by no means been fully exhausted in every instance. We might mention, among other things, the possibility to provide guidance to the LPG's and VEG's in the matter of drawing up and implementing optimization programs in forestry and livestock management; in setting norms and production goals in the planning process; in providing for the general application of innovative plant and animal production methods; in organizing the introduction of indigenously conceived rationalization programs or in introducing commensurate socialist management practices.

State Activities, Comprehensive Intensification and Socialist Management Practices

The general implementation of comprehensive intensification in agriculture calls for management practices which will help to organize the direction, planning, operation as well as the incentive programs and accounting procedures of the LPG's and VEG's, of their departments, brigades and co-operation partners "in an optimized fashion along the lines of the inter-related disciplines of natural science, technology, labor economics, economics and sociology."¹⁵ To be sure, this difficult task is the responsibility of science and the LPG's and VEG's in the first instance; but the local authorities are included in this process in a variety of ways. For one thing, they are charged with creating the necessary conditions for the utilization of socialist management practices in agriculture and for another with putting advanced methods aimed at its effective implementation into general practice.

A number of provisions included in the new law (e.g. Articles 29 and 47) clearly define the responsibilities of the local authorities for the implementation of socialist management methods in the LPG's and VEG's and in their cooperative undertakings. Let us merely call attention to the responsibility of the local authorities to see to the complex implementation of qualitative growth factors in the intensification of agricultural production and to support the LPG's, VEG's and the cooperative councils in the efficient management of plant and animal production. This goal can

only be attained, if the local authorities assist the LPG's and VEG's in adopting such managerial methods which will help guarantee genuine economic development.

The job of successfully applying socialist management practices in agriculture in the interests of comprehensive intensification (with the support of the local authorities) calls for the establishment of certain priorities. In drawing up plans for agricultural production; in applying the performance principle in the LPG's and VEG's and in organizing agricultural work in general, it will be necessary to introduce those types of management practices with government support which will set free certain dynamics of socialist management and will enable the LPG's and VEG's, depending on their particular economic and natural parameters, to achieve high agricultural yields while maintaining a favorable cost effectiveness ratio. In this regard, the local authorities can definitely help tap into major resources.

Due to the fact that the LPG's are the primary agricultural producers in the GDR, the local authorities need to focus their attention on them and must (in accordance with Article 3 of the LPG law) support their economic development in special ways so as to mobilize the potential of the cooperative ownership of the means of production. Government operations must assign the necessary priority to management issues such as the enhancement of the LPG's independent responsibilities and the relationship between their economic development and the social development of the villages. "In the future, however," as H. Semmelmann has said, "more attention will also have to be paid to the more efficient use and continued development of the cooperative distribution methods."¹⁶

It is especially important for the local authorities to play a role in the application and proper conduct of socialist management procedures with regard to the reciprocal relationships involved in intensified cooperation. On the one hand, successful cooperation among all the partners in such an undertaking calls for designing the reproduction process engaged in by each of them in such a manner that the joint ventures are accomplished with the greatest efficiency. On the other hand, effective cooperation calls for great and continued stability of all partners. Socialist management practices are therefore a requirement and condition of success in cooperative undertakings. Taking this aspect of the control function into consideration may make some decisions more difficult for the local authorities but it also makes it possible for them to participate in efforts to overcome unjustified differentiation among various agricultural operations, which may be termed an important facet of the intensification process of agricultural production.

Cooperation Between Government and Agriculture in Territorial Rationalization

There is a specifically territorial aspect to the intensification of socialist agriculture. This aspect is incomparably more important for agriculture than it is for industry because agriculture is far more closely tied to the territorial reproduction process. The reasons for this are the explicitly localized nature of agricultural production in addition to its dependence on natural and seasonal factors. Another important consideration is that agriculture is largely organized along cooperative lines. These aspects are reflected in the language of the GÖV which states that territorial rationalization in agriculture (as anywhere else) "must be utilized to an even greater extent in order to accelerate the intensification process; to exploit territorial resources and to continue to improve the living and working conditions of the population in accordance with the plans."¹⁸

If the development of agricultural production is to be crowned with success, it must draw on the varied resources and the potential of the territory. The soil--as the locale of production in agriculture and its most important means of production--plays a dominant role in this regard. We might also take note of various other factors such as water, energy and the availability of labor, particularly during peak seasons. But the road system and the availability of housing and health care also are important factors which can contribute to success in agricultural production.

The territorial aspect of agricultural production is also reflected in the fact that its development is tied insolubly to the improvement of rural living and working conditions. These play a part in production, too, in that they have an immediate, stimulating impact on the intensification of agricultural production. At the same time--and this is particularly important--the improvement of living and working conditions in the villages create favorable conditions for the success of the LPG's and the indispensable reproduction of the cooperative farmer class, since the children of these farmers will only remain true to the villages and the LPG's if acceptable living and working conditions are provided in the countryside.

The best way to make effective use of territorial resources and labor in the agricultural intensification process is to institute territorial rationalization. It opens up possibilities for better management of agricultural production and greater efficiency as well as for improved living and working conditions which could not be achieved by the individual LPG's, VEG's or local authorities acting alone. This is why Articles 4, 39 and 63 of the new law (in conformance with Article 4, Paragraph 3 of the LPG law) call on the LPG's to cooperate closely with the local authorities in finding ways of making even more effective use of the options presented by territorial rationalization.

Experience has taught us that genuine progress in agriculture can only be achieved through the joint efforts of the agricultural organizations and the government agencies in the territory on the basis of the plan and the concerted utilization of available funds, labor and machinery. The key to territorial rationalization is the even greater development of socialist cooperation between the local government and the agricultural organizations in the territory. On the basis of joint economic interests, this cooperation must be organized according to plan. This can be done, among other things, by making use of the appropriate legal instruments, e.g. the signing of communal contracts as per Article 63 of the GSV which permit the LPG's and VEG's to play a positive role alongside the government authorities in the intensification process.

FOOTNOTES

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POLITICS

HUNGARY

RENYI DESCRIBES REGIME POLICIES AS DAMAGE LIMITING

Vienna EUROPAEISCHE RUNDSCHAU in German No 4, 1985 pp 19-29

[Article by Peter Renyi, member of MSZMP Central Committee and acting editor-in-chief of NEPSZABADSAG: "Hungary Without Myths"]

[Text] Praise and recognition--is there anyone not interested in receiving either? Present-day Hungary is no exception--and what is referred to as a "good press" is not really an exaggeration in this case. The reports do contain skeptical and critical remarks and lots of question marks which in many instances are based on statements in the Hungarian press which does not hold back at all when it comes to discussing our problems. Nonetheless, there are some Western observers who consider the amount of good will shown us to be indefensible and who believe that these are very, very evil deceptive maneuvers which must be resolutely combated. The psychology of this over-reaction, which something borders on the comical; the posturing of some literary figures in particular is quite remarkable and, as I will attempt to show below, also quite revealing.

This is not to say that there are no literary parallels--going back to the "Odyssey," the Tannhaeuser legend and Goethe's "Faust II" and Mario's magician. It is an age-old theme: the hero's desperate fight for freedom against the forces of deception, against the mysterious powers of persuasion. It is not naked force which must be overcome in this instance because the struggle is taking place on a spiritual level. But there is just as much of a need for courage, will power, steadfastness, and even great skill. The enemy is just as dangerous--in fact very much so--even if his weapons are nothing but subterfuge, confusion, deception, and diabolical duplicity. It is a struggle for the dignity of man; a life-and-death struggle.

He who loses in this fight dies as an individual and turns into an inanimate tool, a slave or a puppet. Once misled, he can be turned into just about anything: into a swine, as those bewitched by Circe did or into a ridiculous puppet as the gentleman from Rome bewitched by Cipolla did. Never fear: of all the tests faced by the hero, this is not among the simplest ones. And for another thing: the subject is very, very topical.

We are living in an era which is being called the age of manipulation with some justification. The magicians and demons of the old and new fairytales have turned into sectors of industry and huge institutional complexes and the appropriate scientific disciplines have sprung up as a consequence. And the bewitched and simple-minded are not mere isolated individuals either; their number has increased to the hundreds of millions! This is all the more reason to cite an example; to demonstrate the heroic struggle; to pay homage to the individual who must contend with these obscure forces or who ought to contend with them in order to retain his humanity.

The only thing that makes one wonder--and wonder a lot--is that these people simply cannot resist the lure of our little country for anything in the world.

An Image of Mystification

What is it that is so bewitching and so fascinating about our modest little country? What are the origins of this eccentric or--one is almost tempted to say--mystified image of Hungary?

Come to think of it, it is not so difficult to explain. Like a good many others, this particular phantom image, too, is based on a denial of reality with which one cannot quite cope. Caught up in blind resentment from the start and in traditional prejudices in the face of a reality which simply will not fit one's preconceived notions, one desperately looks for meaningful explanations, e.g., in diabolical deception, in unheard-of flights of witchcraft which one then proceeds to mystify and to blow up to enormous proportions.

One other thing: these false interpretations had their origins decades ago. Even then there appeared commentaries in the Western press which tried to explain the Hungarian experiment by pointing to Janos Kadar's particular duplicity and diabolical cunning which he was allegedly using to play the Kremlin for a fool. But the theme recurred later as well in all kinds of variations--which also included references to domestic policy. Bourgeois publications and ideology did take note of the remarkable transformation of the Hungarian story--from the suppression of the 1956 revolt, the signal of the return of a cruel communist dictatorship, to the image of the most liberal and magnanimous socialist country most concerned about civil rights relatively speaking and most daring in its reform policies--but they never really accepted it as a fact. Time and again, there have been attempts to characterize the situation either as provisional, endangered by all kinds of internal and external forces of a "Stalinist" restoration or as a miracle impossible to explain by rational, historical means; as the individual achievement of some magician who had already become a living legend.

Now the peculiar situation of Hungary not only prompted right-wing radicals and conservative proponents of the traditional bourgeois system to argue that no other social system but the capitalist one was capable of survival or success; left-wing radicals, too, tended to view Hungary as a challenge because it did not fit into their abstract world view that actually existing

socialism would look for new paths. They felt that their own intellectual and political position would come into question. Their view of socialism could only produce a sterile, ideal society based on pure theory. They wanted no part of compromises, intermediate solutions, transitional stages or ad hoc solutions and as far as bad experiences with voluntarist attitudes were concerned, they had never heard of any.

How could this dictatorship of apparatchiks succeed in gaining all sorts of good will--that was an unheard-of scandal! There had to be something fishy about it; this evil would have to be cured with an even worse one. Only by viewing things in this light can one explain the fact that there are left-wing radical critics even today who are just as harsh in their assessment as the emigres of the far right!*

The upshot of this is that one major component of the image of Hungary in the West--no matter whether it is enthusiastic or wildly critical--is the fundamentally erroneous conception of the nature and the possibilities of socialism in general. Against the background of a negative view of the system itself the assessment of many of its manifestations tends to change in all sorts of strange ways. Achievements which are quite normal and more or less self-evident, practical solutions, unprejudiced analyses and well thought-out experiments--just plain common sense, as the English say--take on almost mystical proportions. And why? Because one believes that such things are not possible in a socialist society; because one cannot rid oneself of the age-old prejudices, from the thought patterns of an antiquated anti-communism (which Thomas Mann used to call the "ultimate folly of our time"). That is why everything which does not fit into this pattern is wildly exaggerated.

Thus, for example, any experiments which--to put it briefly--pick up the thread of Lenin's plans in the early twenties (ranging from the NEP to economic concessions and cooperation with the developed capitalist nations) are touted as evidence of a return to private enterprise and either celebrated as courageous efforts to do the right thing or condemned as treachery to the high ideals of socialism. Either position can be underscored by the existence of a "red bourgeoisie," a group of functionaries intent on usurping power, a privileged class of exploiters and rulers....

As soon as these misleading "standards" disappear, all of these myths become meaningless. In a different context, as he spoke out against exaggerated domestic expectations, Janos Kadar had this to say at the last party congress:

Here in this congress hall all the classes, all the levels of the working population, perhaps even all the professions are represented: workers, farmers, intellectuals, white-collar workers, scientists, artists, writers, journalists, transportation workers, members of the commercial establishment, members of the armed forces, and sports figures. But there are no

*Cf. the "ideologically tinted" reportage of Hans-Magnus Enzensberger in DIE ZEIT, 3 May 1985 entitled "Hungarian Troubles."

magicians or miracle workers among us. For this reason, none of the approximately 1,000 people gathered here should expect miracles to happen within the next 4 days. As for me, I believe that our congress will honestly fulfill the reasonable expectations of the party membership and the working population. It will conduct a thorough and open debate of the work of the past 5 years; it will give a responsible, serious accounting of the circumstances with which we are dealing, and will draw up a meaningful agenda for the future to guide the activities of our party and our people which is actively building socialism. I am fully convinced that this congress will acquit itself of this task and I wish all the delegates success in this endeavor.

A Pact With the Devil?

It is quite true: there are no magicians or miracle workers among us and we do not possess any diabolical skills either. But we may say with some justification and hope that Hungary started out on the road to reform at a relatively early date and for extremely cogent reasons. Under the circumstances, it has been constantly moving since--with the direction of the trend being particularly constant, i.e., to effect reforms as a means of adjusting to reality in order to make the social system more efficient and solid in every way; to approach the unshakable ideals of socialism, and to transform them into reality. In this respect, too, it makes all the sense in the world to speak of an irreversible trend--which we look upon as an historical and an historically necessary achievement.

Given all this, no sane person will deny that we are presently faced with real but not terribly serious problems in connection with the methodology of material incentives. There is no danger that the incomes of particular groups will get out of control; but the material gains of some might cause social problems to arise which could shake the confidence in the justness of the system for a time. If one wants to be malicious about it, one could say that this problem is an indication of corruption within the system; of privileges fraudulently obtained by management and/or the establishment at the expense of the little people. There is no denying that some groups have been left behind in relatively large numbers--above all those who are unable to augment their income from other sources, e.g., retirees, young married couples with children, and other disadvantaged persons.

What are the real reasons behind this? One could say that they are almost exactly the opposite. The political and state leadership did not liberalize entrepreneurship in the small trades, in the so-called small commercial establishments and work associations and so on all at once but with some concern and reservation about this hard-to-control area of activity and yet with the conviction that under the existing circumstances one would have to have the courage to make use of all resources and to accept the heretofore unaccustomed tensions and conflicts connected with such undertakings. If I may be permitted to resort to somewhat romantic language, I would say: yes,

yes, this is a pact with the devil. The difference is, however, that it was not the devil who offered it to us--as Mephistopheles did to Faust--but we hired the fellow on.

Even if there are some people who might (and in fact do) fit the description, one cannot simply speak of lily-livered toadyism, corrupt docility or self-serving private enrichment on the part of a handful of officials. The situation really is exactly the reverse.

I regret not being able to name names to support my argument because that would be the most convincing thing I could do--but I would ask that I be given credence anyway. The most prominent proponents of these "ominous" reforms are the most puritanical, least financially interested and unapproachable people and even their enemies could not maintain that they are enjoying any kind of financial gain from these undertakings. The most remarkable thing is this: in a society such as ours, it takes a good deal of courage to initiate reforms of this kind which only the most steadfast and moral individuals can muster. Anyone who is in it for personal gain would never dare enter such risks.

There is no business interest which enters into this and it would be just as false to assume that it involves a process of de-ideologization or out-and-out pragmatism to go with the times. Even if there are some cogent practical arguments which speak for such far-reaching decisions, they are not taken without ideological analysis and clarification. There is no better proof of this than the never-ending theoretical discussions on this subject in the Hungarian press and learned journals. Anyone who attempts to accuse us of being covert (or overt) proponents of private enterprise would be hard put to prove it. It is not only the economic, legal, and tax authorities which are concerned with working out meaningful standards and methods of control, but in one way or another society as a whole deals with these issues and most of the time keeps a critical and watchful eye on developments.

One should not forget that the Hungarian economy, too, was booming during the early stages of economic reform in the late sixties and early seventies. The growth rate was quite substantial and the standard of living went up. Speaking of differences in wages which were not particularly marked, then it merely amounted to earnings rising faster for some than for others. Nothing like a negative trend occurred, e.g., a lowering of the purchasing power of specific groups of the population. The outstanding development of the early seventies was the rapid rise in farmers' earnings. This irritated a good many workers; but it was part of a general rise in which everyone had a share--and at that time, at any rate, it could still be corrected from one day to the next. The wages of blue-collar and white-collar workers were raised by 8 to 10 percent. The economy was able to pay for it.

Today, that has all changed. All the outward signs of the boom economy are gone: the parameters of reform are limited almost exclusively to higher performance based on the talents, dedication and skill of the individual and the collectives and spurred on by greater material incentive. Anyone able to count up to three can tell that this is not an easy position to be in for

a system which has taken it upon itself to do away with the inequities of the past. And not only that but--a system which, at its very inception at a time of exaggerated illusions about the future, went overboard, making promises of an early attainment of complete equality; a system which has had to retreat from (supposedly) entrenched positions to the recognition of more individual interests.

The outward appearance of such a policy is inevitably misleading--both for one's own camp and for one's adversaries. The "troubles" arising from this situation are not to be underestimated and it would be both unwise and arrogant not to counter them by offering ideological explanations. It may be extremely important to do things which inevitably create the wrong impression among the people and it may attest to inner strength and an adherence to principle but it would be an inexcusable mistake not to react to the consequences brought on by such a superficial image and not to try to correct the misunderstandings and wrong interpretations which have been spread as a result.

The Almighty State and the Market Economy

This is why the political and public interest focuses on this issue; why it is locked into the problems resulting from this situation. For someone who is content just to look at the outward symptoms, it is quite easy to generalize on a great many marginal events and pick up on a handful of odd occurrences; to cast some odd types who surface from the malestrom in the role of stars. But that does not tell one anything at all about the reality of the entire process. Quite the contrary: the greater the number of well-prepared particulars that is presented, the less one can tell what is really going on: how desperate the struggle sometimes is to get through the present impasse, to mobilize all the resources inherent in the diverse individual ambitions of people without relinquishing the principles of the socialist social system.

It is simple-minded to think that the essence of socialism can be portrayed in this way, i.e., all one needs to do is to give free reign to the ambitions which serve the common good and any resulting deviation could then be countermanded...Our experience has shown that it just is not as easy as that. One has to take certain difficulties into account; that much we will concede to our critics. Our world view does not differ from theirs on this point but on the interpretation and the consequences which follow from it. We believe that it is possible to energize a great deal of creativity and initiative in this way and to hold the damage which arises from all-too-egotistical motivation down to an acceptable level.

But what follows from this--and no observer or chronicler of the Hungarian scene should discount or deny it--is that we are waging and indeed must wage a permanent and at times extremely determined battle for the maintenance of our moral standards. There is no reason to call this a confused situation where we are on the one hand allowing things to happen which would have been unthinkable in another day and on the other hand are defending moral and ethical precepts--which seem to be pointing in a different direction at least at first glance.

Let us put the market economy concept under the socialist microscope for a moment. Fundamentally speaking, we are relying on a planned economy; but we no longer conceive of it as an anti-market economy but as the kind of economy it really is: a concept based on forecasts regarding the medium-term and long-range prospects for optimal economic development of our country. This concept also takes market trends into account--though not on a day-to-day basis because it is concerned with longer time frames. But however that may be, it is no minor matter to include the market and the laws governing it into a society which felt for a long time that it could easily do without the market altogether.

That creates situations which cannot be subsumed under the old image of socialism. There are some individuals, enterprises or factories making profits or suffering losses which are independent in the first instance of their own performance. The economy plays an important role in the revenue and income of those who are favored or hurt. The state no longer evens things out as it used to do in the past. The subsidies are getting smaller; the economic units, both large and small, are on their own--frequently under very different conditions. Even the existence of a state-owned enterprise can be placed in jeopardy by market conditions. Enterprises which are chronically unprofitable should be shut down; the eternal bailouts are gradually being phased out.

And where does that leave the egalitarian principle of the socialist system, i.e., not the crude egalitarianism of the early years but the theoretically correct and well-founded rule which says that everyone should be rewarded according to his performance? Once the dictates of the marketplace begin to enter into it, this, too, becomes hard to calculate. It is not only that the performances of individuals tend to differ but that the chances for success are different in different fields of endeavor. This brings about unexpected situations which cannot immediately be brought into line with our ideals. But what happens then? Doesn't socialism cancel itself out under such conditions; doesn't it turn into a social system of haves and have-nots, of those favored (even if not by virtue of inherited fortune or social standing) and those disadvantaged by circumstances? It would be irresponsible to brush these problems aside with a shrug of one's shoulders.

Just a few years ago, as I said earlier, these were mere theoretical questions. The differences were not as great as they appear today. (Let me address myself for a moment to some of the less informed foreign observers: even the grey area figures representing the income of the most illegal of high earners are ridiculously low in our country compared to what rich people "earn" or own in the West. In absolute terms therefore, the differences between haves and have-nots in our country are far, far smaller. Relatively speaking, they seem much greater because they run counter to egalitarian expectations.)

In the past, there was far more talk about these differences than actually occurred in real life and to some extent that is still the case today. But over the past few years things have indeed changed--particularly as far as the income of top managers and the earning potential of various small enterprises are concerned, especially in all those cases where the operations are

well run. The differences became all the more noticeable and irksome because the situation for small earners and young families--as I mentioned earlier--grew worse especially as a result of rising prices even for consumer goods and the reduction in fully financed government housing construction.

The limitation and withdrawal of subsidies for production has had a similar impact in the individual and collective sphere. This has caused substantial hardship for state-owned enterprises and entire sectors of the economy even while others whose market position, structure, and technology are in better shape continue to prosper or are in fact achieving higher earnings all the time.

Unaccustomed Social Tension

All this inevitably causes unaccustomed tensions in society and raises the question of what direction things will take from here on. Will further reform lead to greater inequality and to more advantages for some and disadvantages for others? Will society be split up--not according to classes and inherited property but according to the place an individual occupies within the division of the labor system? And there are other things which make people uneasy, e.g., how the accumulated savings representing the private property of the higher earners can be used for the common good through the sale of stocks paying greater dividends--and that in a country which is so exceedingly proud of having reached national consensus and hard-earned social unity.

In essence and in reality, as I have already said, all this has nothing to do with capitalism. The vast majority of the means of production and thus the ultimate power to decide on their use remain in the hands of the state, i.e., they are socialist--collectivist property. The extent of the differences has been consciously limited--but the appearances, the outward image are hard to discern for a great many people, if not for most. This can make people uneasy and disturb them--and that, in turn, is not something to be taken lightly.

For that matter, the misinterpretations and mystifications of the "Hungarian way" not only point to prejudices regarding Marxism and existing socialism; they also point to the somewhat embarrassing dilemma faced by those who sympathize with Hungary. Ideologically, they cannot or will not identify with our theories; but on the other hand they are unwilling to withhold their approval of them. They bridge over this discrepancy by offering all sorts of explanations which make it socially acceptable for them, as it were, to voice their approval.

One does not have to be a prophet to make the following prediction: these very interpretations will be entering a critical phase in the very near future. The ideas behind the reforms are spreading even if they tend to differ from country to country. In principle, one can detect a pretty similar trend in most socialist countries both as concerns the role of democracy in public life, the transformation of party operations, and the adjustment of the economic system to current needs, i.e., decentralization, greater responsibility on the part of the individual economic units and local authorities; greater

play for the interests of the individual collectives and of individuals; greater participation of the workforce in decision-making, etc.

Wouldn't it be ridiculous to make little Hungary solely responsible for this internal upheaval process? Can this process be explained in any other way but that it is a historical necessity dictated by the system itself? Well hardly. It is misleading to hammer away at the undeniable differences between the various methods being employed or the tempo and the dynamics of the process as such. It is far more important to realize that the direction these developments are taking is much the same everywhere and that there is no trend in the opposite direction so that even the most malicious detractors do not dare go further than to downplay them or minimize them. They certainly do not have the courage to deny their existence anymore.

But if that really is the case, then it must also have some impact on our image. Developments in Hungary then can no longer be considered an exceptional case or an accident but one of several cases--the result of course of its own individual history fashioned certainly by the specific policies of the Hungarian Socialist Workers Party in the years since 1956; but not an oddity, as it has frequently been interpreted in the past. Exactly how Western observers will cope with this new situation is hard to say--but one thing is certain: the problem cannot be circumvented just as the whole idea of the hopelessly rigid nature of socialism and its inability to change must one day be revised--and soon, if one does not wish to risk getting caught up in the most absurd contradictions.

Some will say: such a transformation will not be to our liking; it will upset our world view. But that, too, is the wrong way to look at it. All the talk about our apparent differences (based very much on external signs) with our socialist allies created problems for us, both in the immediate area and worldwide. Even if it was just a case of lack of information in many cases and meant well, we were constantly forced to defend ourselves against all sorts of allegations which often seemed impossible because this way of thinking had taken such deep roots in the West.

As a newspaperman who was "in business" here throughout the entire period and talked to hundreds or even thousands of Western colleagues I can vouch for the fact that it was (and still frequently is today) enough to drive one to distraction how these stereotypes kept cropping up over and over again: the same questions all the time based on the same precepts, e.g., how far will Moscow allow you to go with your reform policies? how long can this policy go on without causing major structural changes in the political system? is this not an exceptional situation which will come to an end as soon as Kadar no longer runs the country? etc., etc. And--whatever answers one gave, the reports would invariably contain the arguments which were in line with the preconceived ideas of my colleagues.

What We Mean by Consensus

Another aspect of the same problem is national unity, i.e., the social consensus concerning the basic issues of the socialist system. What we have

been thinking and saying about this neither is, nor was a mere invention or empty pipedream. Of course we had different ideas about it from those prevalent in the fifties: the rhythmic applause and the hurrahs in honor of the "wise leader."

There has been no question of that for some time, nor of agreement with each and every public declaration as was customary and/or desirable in those days.

Our idea of consensus then and now is no more and no less than that the people generally approve of the policy guidelines; that they consider the basic goals to be correct and necessary while constantly exercising their right to criticize their implementation. Consensus to us means approval in principle but not unanimous votes on every detail. The well-known statement "whoever is not against us is with us" which has been identified with Janos Kadar since the early sixties was characteristic of the first stage of what we now call national consensus. It is of course far from easy to come up with a new version of this slogan; but if one did, it would probably go something like this: "even those who have their reservations about this and that are with us."

The question now is to what an extent the process of continued differentiation, i.e., the diverse interests of social and professional groups and individuals pose a threat to this unity and consensus. I think we can say in good conscience that we can be sure of the stability and strength of our cause--with the proviso of course that we hold onto the flexibility and the ability to change which has been an indispensable hallmark of Hungarian policy. Conversely, this means not applying the performance principle in a rigid and unilateral fashion; disregarding social policies or underestimating the need to assist the disadvantaged. This would not only be inadmissible for Realpolitik reasons but would also be tantamount to turning our backs on the basic principles of the abovementioned consensus.

Another question entirely is the extent to which we will succeed in this, given the present situation. Perhaps (and we cannot rule this out by any means) we will have to limit our efforts in both directions to some extent for a time, which would also call for going easier on the application of the performance principle. That would be unfortunate of course but unavoidable in case the fundamental social balance were in jeopardy.

Do we expect that to happen? Not really. None of our actual plans makes allowance for such an eventuality for the simple reason that we think it can be avoided--not so much because we expect the international situation to improve in a general or comprehensive fashion but because we think we will be able to mobilize our reserves both politically and economically. The reason I feel it is necessary to speak of a potential emergency is solely to make it clear to a foreign observer just what our thinking with regard to the priorities is, if we were forced at some point to make a choice between the alternatives I have outlined. As far as our position with regard to the present situation is concerned, our primary concern is to muster the will and resolution to overcome these constraints and not to allow these things to happen.

Don't Wait for Godot

Without a doubt, there are also fatalistic moments and fateful accidents in history. Even the best of policies and best thought-out application of them depend on circumstances beyond one's control and outside one's calculations. In other words, in politics, too, one needs a little bit of luck in order to succeed. We have absolutely no intention of standing around like Beckett's characters and "wait for Godot."

For another thing, it would not make much sense for our Hungarian authors to revert to the Beckett format because this portrait of a decaying society where nothing works and everything is covered with garbage and apathy was drawn by a Hungarian author not so very long ago: during the post-1956 years he spent in prison, Tobor Dery wrote a nightmarish novel of the future of modern society entitled "Mr G. A. in X."

In that book, Dery painted a Kafkaesque picture of the city of X and its civilization where everything had lost meaning, where nothing worked--not only as regards material things but above all human relations which were empty, devoid of feeling, soulless. It was a world in which Mr G. A. desperately searched for the last remnants of erstwhile humanity.

Let me add in this connection that the very productive 15 years which the author spent in Hungary until his death in 1977 were at least to some extent filled and supported by the realization that his homeland and his immediate environment did not conform to this doomsday vision. These were probably the happiest years of his life which afforded to a critical person like Dery the all-too-rare opportunity to be in agreement with society and even with the state; to feel sheltered and to participate in the developments of that time. He would have been the most competent person to respond to Enzensberger's "psychogram."

This is the way Dery outlined his basic position to NEPSZABADSAG in 1975 as he recalled the liberation of Hungary 30 years earlier:

As I look back, I wish to make no secret of my deep emotion with regard to the beginning of a healing process which offered to our nation the happiness which history might hold in store for us. Hungary regained its chance for freedom and, along with it, its chance for self-esteem. This enabled the nation to take stock of its capabilities and to take advantage of them at a rapid pace...And that it is in a position to realize them now that the Rakosi era is over I am eternally grateful to those who have taken on this incredibly difficult task.

That is how one of the greatest writers of our time experienced the transformation of Hungary. Now this man was certainly not one of the pampered darlings of history, nor a literary prince but in fact a rebellious type, a troublemaker. But on the other hand he had lived through many decades of Hungary's difficult history and experienced much hardship personally--

including the troubles a writer faces when he loses himself in unrealistic abstractions. But life is much easier for those who take just a few weeks to tear a country, a society, and an historic experiment to shreds. It does not take much of an effort after all to label all the contradictory aspects of a vast social transformation "troubles."

Any attempt to clarify a few points here and there can touch on just a handful of aspects of course and even then present no more than a sketchy picture of the facts. Perhaps, however, even that is not entirely meaningless.

9478/9365

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LIFE OF TITO'S WARTIME COMPANION HIGHLIGHTED

[Editorial Report] Belgrade ILUSTROVANA POLITIKA in Serbo-Croatian, in six weekly issues dated 19 November through 24 December 1985, carries a series of articles by Predrag Aleksijevic on the short life of Davorjanka Paunovic, known by her underground code name Zdenka, who seems to have been the closest wartime companion of Josip Broz Tito and who is buried in the grounds near the villa which Marshal Tito requisitioned for himself in 1944 and in which he resided until his death.

The account accords with what is known about Davorjanka Paunovic from the memoirs of Milovan Djilas: the headstrong university student from the Serbian provincial town of Pozarevac, the tested Yugoslav Communist Party courier who accompanied Broz Tito from his Belgrade hideout to his partisan command in September of 1941, the "field secretary" whose control of access to Broz Tito and whose tendency to issue authoritative orders in her own name generated resentment among macho guerrillas, the hysteric when separated from her leader or when crossed by other commanders or when consumed by her terror of bombing attacks.

The series serves to present President Tito to the mass Yugoslav public in a different light than before by publishing three letters from him to Davorjanka Paunovic in 1946, the year of her death from tuberculosis. The letters, while not exactly love letters, are assuredly intimate "family" letters at a time of turmoil in Yugoslavia's foreign relations in the immediate postwar period.

Otherwise, there does not seem to be fresh or abundant material on the subject. Only after the series ended did the reason for its publication become clear: An official source must have inspired the topic as part of the soon-to-be-public dispute between the Yugoslav authorities and the president's widow, Jovanka Budisavljevic, over her inheritance rights. The series serves to draw an implicit contrast between the self-sacrifice and "boundless devotion" of Davorjanka Paunovic and the alleged greediness and unreasonableness of Jovanka Budisavljevic.

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East Europe Report

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2 April 1986

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AGRICULTURE

GERMAN DEMOCRATIC REPUBLIC

ASPECTS OF MICROELECTRONICS APPLICATION IN FARM SECTOR

East Berlin BAUERN-ECHO in German 27, 30 Jan 86

[Article by Prof Dr Nau, Dr Nau and Dr Poehls of the Animal Production and Veterinary Medicine Department of the Humboldt University in Berlin]

[27 Jan 86 p 5]

[Text] The strategy decided upon by the 10th Party Congress of the SED of economical, intensively expanded reproduction in the national economy of the GDR is to a large extent accompanied by measures based on discoveries of scientific and technological progress. Of particular significance in this regard are the so-called key technologies, which are increasingly--as was emphasized at the 11th meeting of the Central Committee of the SED--leaving their mark on production processes in agriculture, forestry and food production. "Initial experience," it was stated, "in the application of microelectronics, enterprise-based computer technology and biotechnology ... indicate that large effects on the national economy can be achieved in this way."

Entirely New Concepts

Particularly because of the fact that microelectronics is moving into agricultural production cooperatives, state-owned cooperatives and their cooperative institutions, and that this relates to a considerable number of jobs, more and more workers in agriculture are being compelled to become familiar with the basic concepts and application possibilities of this key technology. Moreover, it is necessary--certainly to different degrees--to acquire capabilities that permit particular work aids of microelectronics to be of use, such as microprocessors, storage media or office computers, whereby the latter incorporates the previously named components. One restraint here is undoubtedly a certain fear among numerous managers of things related to microelectronics. This in turn is largely because the effects of the deployment of microelectronics for the individual are hard to overlook. Add to this the use of concepts, some of which are entirely new and which moreover in many cases come from English and thus do not easily allow a clear understanding of the initial concepts and general correlations of microcomputer technology to sink in from the mere meanings of the words.

Nevertheless, microelectronics is making extremely tumultuous advances. It is finding more and more new possibilities for application. In this sense, the situation today is only the beginning of a development that, according to Erich Honecker, will in the near future influence nearly all areas of our lives.

More Information

The rapid advances in microcomputer technology in particular are closely related to the growing need of society for information. In this respect, there is even talk of scientific and technological progress being accompanied by a sort of "information explosion," and this is true to a full extent for the process of agricultural reproduction as well. One need only point out the general changes in technological processes of livestock and crop production that have been put into practice by the transfer of scientific discoveries. Thus, for example, the efficient feeding of cattle is just as much related to getting and processing information as is the automated evaluation of physiological data for safeguarding animal health. In general, an interruption in the flow of information--because of a manager's illness, poorly kept stable figures or defects in the microprocessor--can result in considerable breaks in the production sequence. They are comparable to disruptions that come about as a result of an interruption in the power supply to livestock production facilities.

Correlation

From these examples, it can be concluded with respect to the significance of information that there is a direct connection between the rate of growth in production and the necessary amount of information. Of course, these correlations also have a qualitative character. This finds expression in the number of workers employed in management and administration, thus in information processing in the broadest sense of the word, a number that has hitherto--if one views the development from a greater distance--grown with the rise in production volume. Even long ago, it was pointed out that if managerial and administrative activity remained at a lower technological level amidst rising production and productivity, then in less than five decades the majority of the able-bodied population would be employed in handling these very managerial and administrative functions in the sense of obtaining, storing, transmitting and processing information. Of course, it should be observed in this clearly overdrawn assessment that without appropriate development in the sector of information and documentation, progress in production and productivity can scarcely be achieved.

Essence and Meaning

The first integrated circuits were developed in 1958, and thus ideas about the creation of "intelligent machines"--or better--of automatic systems for information processing were economically feasible. The close connection between information and microelectronics is obvious here, and so it is necessary to gain an understanding of the essence and meaning of the concept of information in the spectrum of meanings to be used in this series of articles.

[30 Jan 86 p 7]

[Text] The examples given in the previous article on the significance of information to the achievement of scientific and technological progress in the production sector gain a further element that can largely be characterized by the fact that all correlations within and between highly-developed dynamic systems are based on the exchange of information or on communication.

Figure 1. Examples of Connections Between Various Communication Partners

	<u>Man</u>	<u>Animal</u>	<u>Machine</u>
Man	Team leader- tractor operator	Milker-cow	LPG chairman- office computer
Animal	--	Rank struggles in groups of animals	Cow microprocessor
Machine	--	--	Reaper-microprocessor

Some examples of this as apply to agriculture can be seen in Figure 1. The areas of communication derived from this correspond to various subject areas or scientific disciplines, for example, electronics and biology, but also--as it will be seen--to stockbreeding, socialist business management, technology and managerial science. If one looks at the relationship between the significance of information or of information processes and the management process, then it is not surprising that the latter is also designated a form of information processing. The effectiveness of managerial activity increases to the extent that it is possible, through obtaining and selecting information, to satisfy the information needs of managers especially--but also those of every worker--in keeping with quality and deadline considerations. In the end, however, this means increases in production and productivity, more exact compliance with national economic and enterprise-specific requirements, quicker reaction to discoveries in scientific and technological progress, etc.

Different sorts of information on safeguarding complex managerial activity are now needed. The allusion to political-ideological, economic, social and technical-technological information should indicate what is meant. Another thing to consider is the fact that the above-mentioned forms of information as well as others will have to be recorded and evaluated in different ways. For example, this is true for economic indicators (rates, net product, etc.) that in many cases give expression to expenditures and/or results of production in summarized form, or for statements concerning the involvement of workers in the innovative movement.

Regardless of these differences, the information processes run according to a basic universal pattern that remains unaffected by the respective managerial, organizational or production structure. Regardless of whether it is the production of milk, grain, tractors or fertilizer, a certain need for information (daily feeding consumption, animal capabilities, error messages in the computer program, etc.) must always be satisfied, and this takes place through an information source (a worker, team leader, sensor) who uses information channels (work consultation, data transmission, etc.) and

information storage or carriers (receipts, magnetic disks, etc.) to supply an information recipient (department leader, LPG chairman, microprocessor) with the necessary information.

Of course, the information process indicated here is itself insufficient. Rather, it must guarantee that the respective managerial levels or the individual worker are put in a situation where, with the relevant range and the relevant content of information, they can grasp the area of responsibility in the production process based on the division of labor and be capable of appropriate reactions. It is these main decisions that are of use to the maintenance or restoration of optimal correlations within and between highly dynamic systems, which have already been referred to in connection with Figure 1.

The already underlined fact that the information processing to be carried out in a system runs according to a universally valid basic pattern is one of the starting points of computer science, which is continually growing in importance; the mere mention of this still young scientific discipline will have to suffice at this point. More important here is the fact that the information process outlined above is significantly intensified with the help of electronic data (information) processing.

With respect to agriculture, this leads to entirely new production methods (for example, computer-aided milk production) as well as an increase in security about decisions. Managers in particular must be increasingly able to grasp these processes, to use them, and to help find new areas for the application of electronic data processing.

12271
CSO: 2300/216

ECONOMY

BULGARIA

SURVEY OF EXPANDING TRADE RELATIONS WITH IRAQ

Sofia OTECHESTVEN FRONT in Bulgarian 10 Feb 86 p 5

[Article by Elka Stoycheva: "Bulgarian Speech on the Banks of the Euphrates"]

[Text] Agrokomplekt will participate in building new water reservoirs, dams and irrigation systems.

Bulgarian-Iraqi economic relations have a long tradition and are developing dynamically. In accordance with the agreements reached between the leaders of the two countries--Comrade Todor Zhivkov and Iraqi President Saddam Husayn--and on the basis of the long-term program for the development of economic, industrial and scientific and technical cooperation of 1980, they are steadily expanding and acquiring new efficient aspects.

Reciprocal trade is increasing steadily. In 1985 it totaled 500 million foreign exchange leva. Cooperation is successfully developing in various economic areas. Several brick plants, wine, grape concentrate and tomato paste factories, a vegetable cannery and plants for mineral waters and nonalcoholic beverages were built in Iraq with the assistance of Bulgarian engineering organizations.

Good prospects are developing for the future participation of Bulgarian organizations in building new enterprises in the light, food and construction industries. Iraq is showing interest in broadening cooperation in building small and medium-sized industrial enterprises involving the use of Bulgarian technology and equipment.

Bulgarian organizations have extensively participated in developing a modern transportation system in Iraq. The Baghdad International Airport, a number of big bridges and the Kut-An Nasiriya road and other road and bridge installations are examples of the skill and technical possibilities of the Bulgarian builders.

Good results have been achieved in agricultural cooperation, particularly in building large water reservoirs and irrigation systems. The draining and irrigation Shehamiya, Sueyra, Ishaki and Hila-Divaniya systems are examples of fruitful cooperation. The forthcoming discussions will deal with the participation of the Bulgarian Agrokomplekt organization in building several

new water reservoirs and dams, and expanding old and building new irrigation systems.

Scientific and technical cooperation between the two countries is developing successfully. Tens of Bulgarian specialists are working in various economic sectors in Iraq.

In addition to bilateral agreements, Bulgaria is actively participating in multilateral cooperation within the framework of the CEMA-Iraq commission.

Relations between Bulgaria and Iraq will continue to develop dynamically in the interest of the well-being of both nations and the strengthening of peace and understanding in the world.

5003

CSO: 2200/75

ECONOMY

BULGARIA

MINISTER OUTLINES POWER CAPACITY, FUTURE DEVELOPMENT

Sofia RABOTNICHESKO DELO in Bulgarian 10 Feb 86 pp 1,4

[Article by Nikola Todoriev, Minister of Energy: "Bulgarian Power Industry"]

[Text] One of the greatest accomplishments of the general April Leninist line of the Bulgarian Communist Party is building the material and technical base of socialism, of which the country's power potential is a major component.

What is the major feature which characterizes the April course in our energy policy? It is, above all, the systematic application of the Leninist principle according to which any dynamic development of production forces, acceleration of scientific and technical progress, improving labor conditions and reaching high living standards is impossible without the existence of a powerful energy and raw material base. That is why the initial characteristic feature of the party's energy policy after the April Plenum was the development of its base.

At a Faster Pace

The resolutions of the 12th Congress on comprehensive intensification indicate that the implementation of such a strategy is possible only by strengthening the energy-raw material base, which is the "rear echelon of the entire national economy."

If we were to assess the current level of the power industry in the light of leading achievements and global experience, we would note that the indicators we have reached rate us among the industrially developed countries. Today per capita consumption of energy in the country exceeds the world's average by a factor of more than 2.5. Specific power consumption is among the highest in CEMA member countries and compared to a number of advanced European countries, and is triple the world's average. The structure of power production has the marks of the most advanced contemporary trends: Bulgaria is among the leading countries in the world in terms of the share of nuclear-generated energy of its total electric power production and leading in the production of electric power from low-grade fuels.

The second distinguishing feature of the April strategy is the priority assigned to the maximal development of the local power-raw material base.

In his report to the 7th BCP Congress in 1958, Comrade Todor Zhivkov said: "Considering the limited reserves of brown coal in the country, our fuel base must be restructured on the basis of hard coal, accelerating the study and development of mines at the Maritsa-Iztok Basin."

This led to the construction of the largest Bulgarian industrial-energy complex, Maritsa-Iztok. Within a relatively short time three powerful open pits were developed: Troyanovo 1, Troyanovo 2 and Troyanovo 3, and three of the largest Bulgarian thermoelectric power plants were built: Purva Komsomolska, Maritsa-Iztok 2 and Dimo Dichev.

The development of such a powerful fuel-energy complex may be considered an accomplishment worthy even of the most advanced countries in the field of power industry. The grounds for such a conclusion are numerous:

The complex is based on a coal deposit with very low fuel quality indicators;

At each stage in its development, original and most advanced technical solutions were used in coal extraction and electric power production;

The high concentration of production capacities ensures that a high standard of technical and economic indicators is maintained;

Not least, in the struggle against difficulties in mastering the new equipment and technology, the complex has become a school for highly skilled cadres in the areas of designing, scientific research, construction, installation and operation.

We must emphasize that Bulgarian-Soviet cooperation is the main and decisive factor in building the Maritsa-Iztok complex. Leading Soviet scientific research and design institutes, plants producing power equipment and noted specialists in assembling and tuning up installations worked in the creation of the complex. Briefly, Maritsa-Iztok is in the true meaning of the word the offspring of Bulgarian-Soviet friendship.

According to the plans for Bulgarian further economic development the complex will retain its primary role. Regardless of the adverse features of the coal mined here, the amount of deposits and the possibilities of applying contemporary equipment in their extraction and combustion enable us to expand production programs. The coal is strip mined, which ensures high productivity. Powerful mining and transportation mechanization facilities are used at the Maritsa-Iztok mines--chain and rotary cranes, electric and rail transport, dump-forming equipment and extensive conveyer belt systems. This is consistent with global coal mining trends.

Currently strip mining accounts for 45 percent of all coal mined in the world. In Bulgaria it accounts for 80 percent and will reach almost 87 percent in the next few years.

The coal extracted at Maritsa-Iztok will ensure the implementation of increasingly bigger production programs by the power plants in the complex and the new heat-generating capacities under construction in Khaskovo, Pazardzhik and Stara Zagora.

The extraction of underground brown and other types of coal will continue in accordance with the strategy of maximal use of local coal deposits. This coal is particularly necessary for producing energy and as a commodity stock.

The hydrolic power potential of our rivers is a source of great importance in terms of the flexibility of the power system and its peak loads. For the time being, some two-thirds of such energy has been tapped and development is continuing on the basis of the most advanced technical solutions.

The development of the nuclear power industry is a remarkable accomplishment of the April course.

This trend in resolving power problems is the most promising in the world at the present stage. It allows the substantial conservation of organic fuel--coal, petroleum and natural gas--which could be used more profitably in other economic sectors.

The nuclear power industry, which celebrated its 10th anniversary last year, accounts for nearly one-third of the electric power produced in Bulgaria.

The summed-up experience gained in the construction and operation of our first nuclear plant indicates that we are on the level of the developed countries in terms of the commissioning of nuclear power generating capacities, their mastery, technical characteristics and technical and economic indicators.

Thus, for example, the average efficiency of nuclear reactors throughout the world is 62 percent; at the Kozloduy AETs it has reached 80 percent.

Our nuclear base, which was developed in the 1980s, and the prospects of its further expansion are a guarantee for the stable economic development of the country and a clear proof of the implementation of a farsighted energy policy.

In inaugurating the first power plant in 1974, Comrade Todor Zhivkov stressed: "One of the most modern and efficient branches of the power industry--nuclear--is being created on Bulgarian soil. It contains inexhaustible opportunities for the well-being of man...." He further said: "In the future, we shall have a second, a third and more nuclear power plants. Unquestionably, they will be even better and more advanced." The contemporary scale of the nuclear power industry confirms the historical optimism of these words. Having completed the Kozloduy AETs, with four units of 440 megawatts each, today we are building at a faster pace the fifth unit generating a 1000 megawatt capacity as well as a sixth turbine with the same capacity. Meanwhile, the construction of a second nuclear power plant is advancing near Belene.

Following the installation of the 1000-megawatt generators, the Bulgarian nuclear power industry will have reached a qualitatively new development

stage. These units are significantly more advanced and more complex than the VVER-440 reactors. Their indicators are entirely consistent with the stricter technological and radiation safety requirements. They have improved operational features and greater seismic resistance.

After the Soviet Union, Bulgaria is the first country in the socialist community to be building a reactor of this type. Few advanced countries could undertake such construction. The building of the fifth block is a prime task of our economy. Its commissioning will be of decisive importance in terms of the energy balance.

The development of a new trend in the nuclear power industry is planned for a latter stage: heat generation based on nuclear power sources. This is a revolutionary solution of the problem of saving on imported fuels and extensively developing centralized heat supplies in a number of Bulgarian settlements.

The long-term development of the nuclear power industry in the years to come will be based on increased integration among socialist countries. We know that in accordance with the resolutions of the Moscow 1985 conference and the Comprehensive Program for Scientific and Technological Progress of CEMA Member Countries Until the Year 2000, the nuclear power industry of these countries must double in the next 5 years.

Another guiding principle in the April line of developing the power industry is the extensive use of the top achievements in scientific and technical progress based on leading and, above all, Soviet experience. In a period of 30 years the power industry mastered the building of thermoengineering equipment with high and superhigh parameters, hydrolic turbines and turbogroups of high unit capacity and an essentially new method for electric power production by splitting the atomic nucleus, developing a 400-kilovolt ring, building superhigh 750-kilovolt cables, automated control systems and others.

The use of scientific and technological progress in heat generation is a clear example of this approach. Its development is characterized by the consistent updating of technological facilities based on advanced solutions, increasing the unit power of the machinery and consolidating the overall capacity of thermoelectric power plants.

In 1956 the largest block in the country's power system could generate 25 megawatts. Currently the system operates six 150-megawatt and fifteen 210-megawatt units. The Varna TETs has a 1,260-megawatt generating capacity; the Maritsa-Iztok complex accounts for 20 percent of the generating capacity of the entire system and for more than 20 percent of the electric power generated in the country.

Improvements in the TETs structure, increasing the steam parameters and the unit capacity of machine units and optimizing their work system resulted in significant decreases in fuel outlays per unit KW/h.

The application of direct coal-burning technology at the Dimo Dichev and Maritsa-Iztok 2 TETs accounts for a great deal in upgrading the efficiency of electric power production. The new technology significantly lowers fuel oil consumption. In addition to the conservation of resources, the new technology leads to improved working conditions, upgrading the purity of the air in the area of the power plants, etc.

The main conclusion which may be drawn on the basis of our energy policy after the April 1956 Plenum is that in defining the main strategic trends the party was able to draw farsighted assessments on time and concentrate above all on the development of a domestic resource base independent of adverse energy characteristics, and of a nuclear power industry.

The constant concern, attention and, above all, trust shown by Comrade Todor Zhivkov, our first party and state leader, and his personal specific advice and instructions in the development of the power industry have played an exceptionally great role in the systematic implementation of this policy.

A comparison between the standard reached by the sector and worldwide indicators shows, however, that we are lagging in an important area such as the efficient utilization of fuels and energy and upgrading the energy efficiency of the economy. Outlays of fuel and energy per unit of output remains relatively high in our country and major efforts will be required to lower them to global standards.

The power industry has achieved historical successes. They are the result of the farsighted party strategy and the efforts of thousands of miners and power workers totally dedicated to its cause. The historical farsightedness of this strategy was manifested in 1985, which was a critical year for the power industry. Cold temperatures and unparalleled drought caused major difficulties in power supplies. We know that despite the exceptionally adverse conditions our country successfully fulfilled the 5th 5-Year Plan. The state was able to procure the necessary resources to compensate for the shortage of water sources and to balance energy consumption. Disturbances in electric power supplies are being gradually eliminated. We are clearly aware of our errors and are taking decisive measures for their elimination. We also realized that the main thing now depends on us. The party and the government demand of miners and power workers to develop the necessary prerequisites and organization to meet the needs of the country and the population for power and fuels. By developing the stipulations of the April line under contemporary conditions, the resolutions of the February BCP Central Committee Plenum provide an expanded platform for work aimed at raising the Bulgarian power industry to a qualitatively new level.

Difficulties will exist in the future as well. What is essential, however, are the clear stipulations concerning energy policy and the specific strategic objectives and means for their implementation. This is the tremendous historical merit of the April course and a prerequisite for the successful implementation of Bulgarian power programs in the future.

5003

CSO: 2200/75

ECONOMY

BULGARIA

NUMBER OF LIVESTOCK IN PRIVATE PLOTS DWINDLES

Sofia OTECHESTVEN FRONT in Bulgarian 10 Feb 86 p 2

[Article by Bonka Berova: "Concern for Livestock in Small Yards"]

[Text] Why is it that in Stara Zagora Okrug the month during which contracts are signed raises a number of questions about the annual plan?

For the small yards February is the month of contracts. To the Fatherland Front committees it is a month for agitation. The extent to which the interests of private and public farms will be coordinated will determine the development of the self-satisfaction system. Therefore, currently many problems related to the plan for meat, milk and vegetables produced by the private plots throughout the year are being resolved. In addition to these, Stara Zagora Okrug has its own very specific problems as well (which, actually, also are typical of many other okrugs): will the process of the dwindling of livestock and livestock output in the okrug continue?

An investigation conducted at the end of last year by the okrug state and people's control committee in 18 agroindustrial complexes showed that for a variety of reasons, such as migration from villages to cities, limiting the number of livestock per household and poor fodder supplies, the number of livestock and poultry kept in the private plots has been steadily declining. In one year (1985 data) livestock declined as follows: cattle, by 2,152; sheep, 20,505; hogs, 24,010; and poultry 36,787. The investigations at the beginning of this year, conducted by the okrug Fatherland Front committee, indicate that, compared with last year, in 1986 the number of cows has declined by 303, that of water buffalo cows by 87, sheep by 9,732, and so on.

The balance is alarming!

The main reasons are virtually the same as in previous years. However, their continuing existence makes the farmers lose faith. The documents of the okrug state and people's control committee stipulate that adverse trends are becoming apparent: less calves are being fattened for lack of the specified amount of free fodder; the raising of broilers is limited because of the higher costs of above-norm utilization of concentrated fodder (400 leva per ton instead of 150 leva); the number of hogs for fattening has declined as

well because of low purchase price; the cow, sheep and water buffalo cow herds are dwindling while those of goats are increasing.

Currently the pledges of the farmers are being received at accountability meetings of Fatherland Front committees in the okrug villages and city districts. According to Min'o Andreev, member of the okrug Fatherland Front committee, the farmers are explaining their unwillingness to raise cattle mostly by citing the shortage of fodder, weaknesses in the purchasing system and the improper rating of milk and meat.

The results of the investigation confirmed this negative attitude. The figures proved that the dissatisfaction of the farmers is legitimate. Only 5 of the 193 milk reception centers have tubs, Herbert-processing machinery and pumps. In 84 centers the milk is cooled in cement buckets and in 95 no milk rating and cooling facilities exist. The okrug agroindustrial union and the agroindustrial complex regularly supply concentrated fodder only for laying hens, broilers, sows and young pigs. Managers and brigade leaders frequently and willingly claim that there is a joint plan for public and private farming. This, however, cannot conceal the numerous daily problems which force the farmers to part with their livestock year after year. Whereas currently the plan is somehow "balanced," what will be the situation in the future with a further decline in the livestock? We know that in animal husbandry rebuilding a herd takes more than 1 or 2 years. Examples of poor work by agroindustrial complexes with private farmers are numerous. Should we begin with basic problems or resolve "petty" matters first of all?

It was suggested in Yazdach village, for example, that systematic control be organized in order to resolve conflicts concerning the quality of the milk once and for all. Why is it that everyone must suffer because of one or two unconscientious farmers? Another question worthy of attention is the following: it is no secret that last year, as a result of inadequate control and organizational weaknesses on the part of the managements of the agroindustrial complexes in Pavel Banya, Radnevo, Trunkovo, the Radnevo Industrial-Agrarian Complex and the Rodopa Combine some of the livestock raised by people in Stara Zagora was sold to other okrugs. However, the other okrugs purchased the cattle even before it had reached the stipulated weight because they had storage areas and fodder, for which reason the animals could be kept and fattened.

These and other weaknesses in assisting private plots in Stara Zagora Okrug are not new. And it is precisely because they are old that they create concern and the impression that they are insoluble. Now, however, before it is too late, we should see the reasons and take fast measures, for the milk, meat, wool and eggs produced by the private plots in Stara Zagora Okrug play an important role in the overall national economic plan.

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CSO: 2200/75

ECONOMY

BULGARIA

ACHIEVEMENTS OF MACHINE BUILDING INDUSTRY OUTLINED

Sofia RABOTNICHESKO DELO in Bulgarian 29 Jan 86 p 4

[Article by Zdravko Kumanov, general director at the Ministry of Machine Building: "Technologies with a Bulgarian Label"]

[Text] Bulgarian machine building is developing at a high and stable pace. The share of high-standard technologies and technological equipment and integration of automated technologies, based on electronics and computerization, is steadily increasing in the export structure.

For example, metal processing technologies show trends of concentration of operations and integration of technological operations with auxiliary servicing and transport activities. The ATM-MS032 and ATM-SM040 automatic technological modules are based on serially produced machining centers and palette stations for automatic replacement of prismatic parts. The cutting area in the machining centers has been expanded and its design has been improved. A control system for the cutting tools has been installed and the number of nests in the boxes for instruments has been increased, thus making them suitable for unmanned operations.

Interesting technical solutions have been applied in the SM-201 and Evroturn-2 automatic lathes with digital programming of ATM-063 and ATM STF-164 technological modules operating with robots and palette stations. The overall development of metal cutting machines and instruments for them offers a comprehensive technological solution on a high technical level.

The advantages of the technology for local electric spark coating are manifested in the possibility of obtaining thick and even coating with strong diffusion ties with the basic metal. The mechanization and total automation of the process and changes in quality indicators and in the composition of the coating are possible by controlling the processing system and type of coating electrode. That is why the method is extensively used in various industrial sectors. The wear-proofing of the coated items is increased by a factor of 2-5. Local coating of rare metals and technical on band-shaped materials and parts used in contact equipment and in the production of semiconductor instruments saves on expensive and scarce materials.

The original Bulgarian method for casting with counterpressure is developing in three main areas: technology for the production of nonferrous alloy castings, technology for the production of instrument steel and technology for the production of foam plastic. The casting technology with gas counterpressure has been adopted worldwide as being the most progressive for obtaining complex castings made of aluminum alloys. The application of plastic casting technology with gas counterpressure significantly upgrades the strength and operational durability of gear boxes, various types of packaging and other items while, at the same time, reducing their weight.

The flexible automated production system for microswitches is an example of the possibilities of Bulgarian enterprises of applying various automatic assembly technologies. It includes 12 assembly positions. Robocars are used to carry the requested items stored at the finished parts warehouse. The work is controlled by programmed controllers and a microcomputer. The robotized set for the saturation of printed circuits with electronic elements with radial and axial leads and microcircuits is an example of automation of assembling in the electronic industry.

Some progress also has been made in the area of laser technologies. We are already producing various types of solid and gas lasers. Particularly interesting in the technological systems for the production of specific structural elements for optical electronics and laser technology is a system with microprocessor control for the development of four-ring high temperature monocrystal oxides. Combined with original technical solutions for the main assemblies and units, it provides high quality crystals with high production efficiency.

Such technologies and equipment carry the "Made in Bulgaria" seal. Some of these items are submitted by our machine building industry in the world markets, successfully displaying our achievements in the fields of science and technical progress.

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CSO: 2200/72

ECONOMY

GERMAN DEMOCRATIC REPUBLIC

MORE CAPITAL, LABOR NEEDED FOR EXPANDED SOFTWARE PRODUCTION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 5 Feb 86 p 14

[Article: "Modern Equipment Causes Difficulties: High Barriers to Innovation in GDR/Price Rises Feared"]

[Text] Berlin, 4 Feb--The application of modern technology is still causing the GDR difficulties. This has been ascertained by the Research Agency for Overall German Economic and Social Questions. In the production of circuits, the GDR is 5 to 6 years behind Japan and 4 years behind the FRG. The situation is characterized by the just-issued instruction on the planning of software, which in the future is to be produced not only by the computer manufacturer robotron but also by the combines as "self-production of the means of rationalization."

It is probably a result of planning errors and an uncoordinated circulation of money and goods and not an indication of a solid management of the budget that the GDR achieved a surplus of 1.8 billion marks in its 1984 budget, concluded the research agency.

Because the profit situation of many enterprises has worsened, the initial conditions for the next planning period have become more difficult; the barriers to innovation by the combines are still high. The research agency recalled the latest statement of Erich Honecker to the effect that in the future the consumer prices for about 20 percent of the retail trade turnover would be determined "in accordance with supply and demand"; in practice, this will mean price increases for goods that are in demand. Prices should remain stable for 80 percent of the retail trade turnover.

[Boxed material: "The obtaining of manpower for the production of software is to be planned as a component of the obtaining and reutilization of manpower in accordance with Part N, Section 23, Letter B and Item 2 of the planning regulation. The required measures for the training and further education of manpower for the production of software are to be planned within the framework of the personnel and training plan in accordance with the general guideline for planning in the combines and enterprises of industry and the construction industry, Plan Part 6, Item 6.4." (From the instruction on the guidelines for the planning, balancing and accounting for software in effect starting 1 February and declared in the GDR legal gazette as binding)

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

ANOMALOUS CONSUMER GOODS DELIVERED FROM INDUSTRIAL COMBINES

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 10 Feb 86 p 11

[Article: "Folding Stools From Microelectronics: Baby Food Warmers From Kabelwerk/Grotesque Production in the GDR"]

[Text] Berlin, 9 Feb--Not a day passes in which NEUES DEUTSCHLAND, central organ of the SED, does not publish long letters from industrial combines to General Secretary Erich Honecker. With the approach of the SED Party Congress in mid-April, they are indicating how they intend to make "worthy" contributions for the 11th Party Congress through higher output. A large part of these letters are mainly "graveyards" of percentages but occasionally they do have something specific to report. Thus one can derive from the letter of the Ifa Combine Ludwigsfelde, the monopoly supplier of trucks with 50,000 employees, that a newly developed truck is to go into production in the fourth quarter of 1986. In this way, a promise given to Honecker in November 1984 will be "fulfilled in honor."

As in the case of all combines, the exclusive suppliers of trucks also produce consumer goods in accordance with an instruction of the SED Politburo. To be sure, the forced production of in part anomalous consumer goods has presented the planning authorities with new types of difficulties, particularly since there are no market analyses. At a scientific conference, there were demands that "interdisciplinary product research" be carried out for this task. It seems that this research is still inadequately developed. The German Institute for Economic Research (DIW) considers it possible that potential unemployment can also be hidden behind these product tasks.

Last year, Ludwigsfelde Combine produced 2,000 hedge shears and 1,250 trailers. One can read that the share of consumer goods has risen to just under 6 percent of the industrial commodity production. But, according to the institute report, these trailers, which are in demand in the GDR, are also offered by Schwarze Pumpe Gas Combine. The report of the institute cites other "grotesque examples" of the production of consumer goods that are not even remotely related to the production profile of the combine. Thus the Kabelwerk Oberspree Combine in Berlin offers baby food warmers and the VEB Numerik in Karl-Marx-Stadt (formerly Chemnitz), which deals in the area of microelectronics and control technology, offers folding stools. The Textima Combine, which makes special machines for the manufacture of carpets, will produce 20,000 new household sewing machines of the "famula" type on behalf of this year's party congress.

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

FRG ECONOMISTS ASSESS EXTENT OF CENTRAL PLANNING IN COMBINES

Bonn DIE WELT in German 23 Nov 85 p 4

[Article by Axel Schuetzsack: "Reforms Written in Small Letters: Experts on the "GDR" Economy Summarize the Ending Five-Year Plan"]

[Text] Berlin--The economy of the "GDR" is on the threshold of a new five-year plan to be announced by Erich Honecker at the 11th SED Congress in April of next year. It was therefore appropriate that in its symposium for this year in the Reichstag building in Berlin the Research Agency for Overall German Economic and Social Questions would review the period of the five-year plan now coming to an end and do it with a view to the possibilities and limits of future economic planning.

Continuity or change? Under this overall aspect, Karl Thalheim, the renowned expert on the "GDR" economy, analyzed the development of the economic system during the past 5 years. To be sure, the "Principles of the Economic Strategy of the 1980's" formulated by Honecker at the last SED party congress had aimed at qualitative and intensive growth, at higher efficiency of the national economy, and at increased innovation and rationalization in the economy of the "GDR." But far-reaching changes in the centrally controlled planning and management system were thereby no more sought than possible reforms in the pattern of the Hungarian "new economic mechanism."

But the shift from extensive to intensive growth that East Berlin required probably did necessitate corrections in the planning and management system. Intensive growth is, after all, substantially less subject to central planning and management than is extensive growth. The economic policy makers of the "GDR" realize this as well.

The economic strategy of the 1980's therefore required organizational changes in the structure of the economy of the "GDR." Thalheim characterized the concentration of large parts of industry in combines and the transfer of some of the decision-making authority from the ministries to the managers of the combines as the most important change. Meanwhile, according to East Berlin's official data, there are 171 combines and the trend is continuing, as Kurt Erdmann noted in a report on Development Trends in the GDR Combine."

But according to Erdmann, there are currently no "outstanding reform impulses" apparent in the combine. In this connection, he pointed out the tendency toward "bureaucratic perfectionism." Thalheim as well sees the decision-making latitude of the combine managers "greatly limited" by an abundance of administrative regulations. This is especially true for the investment decisions of the combines, that could independently control investments of only up to 100,000 marks. As Thalheim sees it, the latitude of the combines, the main supporters of the "economic strategy of the 1980's," has not increased but decreased in the last 5 years.

To be sure, Doris Cornelsen from the German Institute for Economic Research (DIW) pointed out a number of unforeseen problems that had had a negative impact on the concept of the new economic strategy even from the beginning of the five-year plan. The credit possibilities of the "GDR" with Western banks are almost completely exhausted and the Soviet Union reduced its petroleum deliveries by 10 percent starting in 1982. Thus some parts of the five-year plan were already overrun by events at the time it went into effect. It was, of course, considerably easier for East Berlin than for the other countries of the Eastern bloc to get hold of the problem of its indebtedness to the West. It successfully utilized the instrument of intra-German trade to overcome the crisis. In his report on intra-German economic relations, Franz Roesch from the Federal Ministry for Economics pointed out that through mid-1983 the "GDR" had met its requirements for Western goods "to an unprecedented degree" in intra-German trade.

Despite the critical state of the economy of the "GDR" at the beginning of the now-ending five-year plan, East Berlin has never considered changing the general conditions of its economic strategy. Thalheim noted that at no time was a change in the system envisaged. That does indeed seem to be the essential point. A system change in the economic area involves the risk of unhinging the East's totalitarian system of domination.

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

PRIVATE INVESTORS UNLIKELY TO UNDERWRITE LONG-TERM CREDITS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 31 Dec 85 p 13

[Article: "Short-Term Eastern Bloc Debts Increasing: GDR: \$4 Billion Due Within 12 Months/Search for Long-Term Credits/BIZ Statistics"]

[Text] Basel, 30 Dec--An increase in short-term debt is again being noted in the international banking business. The Eastern bloc in particular has a lot to do with this trend: long-term refinancing dominated in the past 2 years.

Of the total of \$50.02 billion in Western credits that the countries of the communist world excluding China have taken up from Western commercial banks, short-term credits with a term of at most 12 months amounted to \$19.36 billion at the end of June of this year. Against the Soviet Union alone, Western banks reported to the Bank for International Settlements (BIZ) in Basel an increase of \$2.3 billion in their claims at mid-year, of which \$1.6 billion were very short term. At mid-year, the total obligations of the Soviet Union to Western banks amounted to \$18.09 billion, of which \$8.16 billion must be repaid or extended within 12 months. That is 45.1 percent of its total credits. In addition, according to the information of the BIZ, the Soviet Union withdrew almost \$2 billion of its deposits. This shows the extent to which the Soviet Union needs Western foreign exchange to meet its most urgent import requirements.

According to BIZ statistics, the GDR owed Western banks \$8.77 billion at mid-year 1985. Of this total, \$3.95 billion had a term of 12 months or less and an additional \$1.29 billion a term not exceeding 2 years. Looking back, the BIZ statistics shows why the GDR was so intensively concerned last year about receiving foreign exchange credits in the European market. So far, it has been successful in taking up only \$2.96 billion in credits exceeding 2 years. The GDR must continually resort to the European money market for the constant renewal of almost \$4 billion in short-term credits. Its greatest handicap is that it cannot place any long-term European loans in the public, for the willingness of private investors to underwrite GDR loans probably continues to be "practically nonexistent," believe the European banks.

In an overview of the development of the international maturities of bank credits in the first half year, the BIZ observes, however, that other groups of countries as well--including Latin America with Brazil and Argentina--are

now turning more and more to short-term debt. Wherever they can, instead of taking up bank credits, the borrowers would seek to issue securities, which generally have a longer term. The importance of the European bank credits is declining accordingly.

In the first half year, according to the BIZ statistics, the total claims of the banks in the credit business increased only moderately by \$7.7 billion, of which more than one-fourth went to the Eastern bloc alone.

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ECONOMY

YUGOSLAVIA

SERBIAN LC OFFICIAL DISCUSSES ECONOMIC NATIONALISM

Zagreb DANAS in Serbo-Croatian 29 Oct 85 pp 11-14

[Interview with Ivan Stojanovic, member of the Central Committee Presidium of the League of Communists of Serbia, by Momcilo Djorgovic: "The False Idyll of Agreement;"date and place not specified]

[Text] The member of the Central Committee Presidium of the League of Communists of Serbia on the voluntaristic outline of social development and the causes of nationalism, on the national economies and disfigured solidarity, on the return to economic regularity and economic integration, on good and bad political campaigns and on the false convictions from which we must free ourselves if we are to get out of the economic crisis which we have experienced.

DANAS: In the book, "Ko radnike povezuje laznim koncima" [Who Binds Workers with Bogus Ropes] you concluded, together with Dragisa Pavlovic, that the struggle against nationalism and disintegrationist tendencies is reduced to the activity of organized political forces. In this primarily verbal activity, whether intentionally or not, the true roots of nationalism are omitted--those in the socio-economic stratum. Why this omission, this "deadlock" in a policy that has an alibi in Marxism and yet does not go over to Marxist-style social phenomena?

Stojanovic: There are quite a sizable number of non-Marxist, unscientific approaches to social phenomena in our country, not only with respect to nationalism and disintegrationist developments. Often we assign too great a meaning to the so-called subjective factor of social development or to the so-called organized socialist forces, and too little meaning to the objective terms of social development. As if from time to time in outlining social development, we lean more towards the "young" Marx than towards the "mature" Marx. The "mature" Marx believed that the forces of production have an enormous significance for social development, while in Yugoslavia there have been and still are a goodly number of people who believe that social relations can develop more or less independent of the level of development of the forces of production. The voluntaristic outline of social development results at least in part from this sort of non-Marxist and unscientific approach. But every form of voluntarism is, in historical terms, of short duration. Actual social advancement indicates how many theoretical concepts of social

development have been achieved in real terms. The economic crisis that we have been experiencing for years, the so-called stagnation in the development of self-management, the events in Kosovo and all sorts of other things--all of these are elements of a reality that points out the errors that we have committed and which we are committing in outlining social development. Accordingly, I think that you can conclude from what I have told you that I find it a very strange proposition to say that our ideas about social development are good, but that reality is bad.

With respect to nationalism, I am in favor of political action attaching greater significance to its causes, its roots, and not as much to its manifestations. Unfortunately, we often wage battle too much against the effects rather than against the causes of many negative phenomena in our social life and development.

DANAS: Is there the requisite economic foundation for the creation of national economies in the regional disproportions, and thus also in the shortages of many goods and of material for reproduction?

Stojanovic: The terms of a dissimilar level of development of individual regions, if by regions we mean republics, provinces or any other territorial divisions, imply a so-called dissimilar or non-equivalent exchange. The more developed receive more than they give in exchanges with the less developed and vice versa, the less developed give more than they receive. Accordingly, this may be one of the reasons that the less developed regions are attempting to protect themselves from the more developed regions by creating "national economies." However, there are other reasons for the creation of "national economies." One essential reason might be that the nations want to be masters of their own economies.

It is difficult to take such national desires amiss, as long as they are desires that originate with the nation, and not with forces that speak on behalf of the nation and sometimes even manipulate national interests. In my opinion, however, the following questions are the most essential ones: Are the economies that are very "national" at the same time the most prosperous ones? Is it more essential that economies be very "national" and that they develop at an annual rate of, let's say, one percent, or that they be less "national" and develop at an annual rate of, say, five or six percent? I think that from these questions it is clear that I attach greater significance to quality and economic efficiency than to the more or less explicit "national" character of economies.

As far as shortages of goods as a reason for the creation of "national economies" is concerned, it is necessary to keep in mind the fact that we have begun to have shortages because of the economic crisis, and one of the causes of the crisis is the existence of our "national economies," such as they do exist--as economies that are more closed to one another than they are open.

DANAS: Are national economies tenable and defensible together with the economic, and thus vital arguments of statehood--that is, of self-management--and of the right of producers to dispose of their own income? Do these arguments not in fact collide with one another, and are they not contrary to

the 1974 Constitution and to the announced historical process of the association of labor?

Stojanovic: These questions point out one question, perhaps the most essential one, and it is: Has it been the process of association or of separation of labor that has been predominant in our country for the last 10 years?

Much is said of the hegemony of disintegrationist currents over integrationist ones, but the reasons for this have not been established in a true sense. Until that is done, we will not see a turnaround, and without this turnaround we will not see the creation of conditions for safeguarding that socio-economic development that would be necessary in order to make provisions today for the future.

DANAS: Is it possible to reconcile the need for the rapid development of undeveloped areas (socialist solidarity) with the necessity of realizing the maximum possible level of the economy on the whole, and how?

Stojanovic: The category of socialist solidarity is not specific enough in economic and political terms. Thus, in our country there is too much ugly solidarity, more than there should be allowed to be. I think that on various levels we make too much common cause with poor work, with sloppiness, with very obvious economic failures, as with failed investments, failures in policies of economic development, etc. The fundamental principle of socialist solidarity ought to be: the development of all for the benefit of all. Only then will it be possible to insure that the economy of Yugoslavia as a whole will achieve the desired rate of growth.

DANAS: Would integrationist intervention in the Yugoslav economy sufficiently solve the problem of unemployment which, as we have witnessed in Kosovo, can be a powerful generator of nationalistic alignments? What in fact prevents the flow of labor throughout the country? Is there an amount of subjective sluggishness or something else in the question of localistic patriotism?

Stojanovic: Even countries much more developed than Yugoslavia are not succeeding in solving the problem of unemployment. To be sure, this does not in any sense free us from our obligation to approach working out a solution to this problem in a way that is radically different from what we have done thus far. Strengthening integrationist processes would at any rate contribute significantly to a lowering of economic efficiency at the highest levels, thereby creating conditions for a rapid resolution of the problem of unemployment. However, this problem must also be solved through population policy, since at present there is more or less nowhere in our country where it ought to be.

DANAS: What are the possibilities, and what are the limitations on political action towards integration in an economy that espouses esteem for the legitimacy and motivations of the market? What has thus far been our experience with integration in this context?

Stojanovic: We have arrived at a paradoxical situation in that politically, at least so it is said, we want to "lead" the economy toward economic legitimacies and motives. Politics has removed the economy from economic legitimacies and now it is necessary to make it return to them. I would say that in our country, as in a number of other socialist countries, politics has had too much influence on the economy. This is the thing that can be standardized most compactly with voluntarism. The return of the economy to economic legitimacies, certainly after all the failures which we have had with our economy, is naturally not at all an easy "job."

But as regards economic integration, for me the question of integrators--the factors that most need to contribute to integration--is of key significance. In other socio-economic systems this role is played by profit (in the form of concentration and centralization of capital), as well as the state through the economic policy that it pursues and through a system of planning. This means that it is a question of integration being assured through the following three main "mechanisms": profit, planning and economic policy.

In our country, the role of main integrator would have to be played by income, or rather the effort by organizations of associated labor to continually elevate income. When we keep that in mind, then everything that is bad about the system and the practice of income affairs in fact appears bad from the point of view of accelerating or interfering with the integrating process. Similarly, weakness in planning and in economic policy interfere with integrating processes.

Economic and political "logic" should be mutually harmonized. To a great extent, this is not the case at present. One of the reasons for this is that we are in this socio-economic and political situation. In a situation like this, it is necessary to use political action to solve some of the problems in the economy.

But this cannot be action of a lasting nature. The conditions must be created whereby the economic system, to whatever extent possible, reproduces itself by itself, so that there is as much social benefit as possible from this reproduction.

DANAS: How should political action be used, and in what situations? Is not all political action comparably good and adequate?

Stojanovic: If, for example, the integrating process is thwarted because of group ownership behavior in several OURs [organization of associated labor], then the League of Communists, through political action, would have to come into conflict with such behavior.

DANAS: Is there any political action that is more of an hindrance than of assistance in our achieving prosperity?

Stojanovic: There are indeed such things. There is, for example, the situation where some socio-political cooperative bodies attempt to double capacity today, to keep the goods and money from their own areas for themselves, and close their markets instead of opening them.

DANAS: What are the main economic and political limitations on the unification of the Yugoslav market: in the present picture, what has changed at least the partial implementation of the stabilization program, and what is forthcoming in the formation of market conditions for conducting business on the Yugoslav market? How would a clear calculation with respect to any concrete ideas on the concentration of labor and resources be possible?

Stojanovic: The main limitation on unification in Yugoslav relations remains so-called decentralized etatism--on the republican, provincial and communal level. The partial implementation of the stabilization program thus far has yet to fundamentally overcome these forms of etatism. Only by fundamentally overcoming them will the conditions be created for more sweeping market-oriented dealings by organizations of associated labor in the context of Yugoslavia as a whole. In order to overcome this etatism radical action by the League of Communists of Yugoslavia is necessary.

As regards calculations concerning associated labor and resources, it is difficult to arrive at such figures amidst this high, almost three-digit inflation. Inflation such as this aggravates nearly everything positive that it would be necessary to effect in our economy. This is why the lowering of inflation is essential for both the acceleration of the integrating processes and for the safeguarding of greater unity in the Yugoslav market.

DANAS: Is it possible in the Yugoslav economy to initiate the processes of unification, while at the same time or at least a short time beforehand, the process of switching off unprofitable production, the transfer of surpluses of technological labor and more strict statutory control over the use of communal reserve funds have not been initiated? Moreover, will the new wave of integration through the rationalization of productive and business functions at first create more surpluses of technological labor than it will open up new jobs?

Stojanovic: I think that the processes of integration and of the switching off of unprofitable production should be enforced. But as far as the possibility that integration processes contribute to the rise in unemployment is concerned, that will not happen if we start more thoroughly in all milieus with the realization of at least the main components of the 27 guidelines for achieving our goals in the area of employment, those guidelines indicated in the special document of the so-called Kraigher Commission.

DANAS: In recent times, it has often been said in party and social organs and in the press in the Socialist Republic of Serbia that Serbia has fallen behind economically. However, these statements have been rebuked in other parts of the country amidst fears that they could set a nationalist avalanche in motion. It is remembered that nationalists in other milieus have initiated their activity based on these subjects. How would you comment on this? And to what extent is Serbia itself "guilty" of having erroneously planned its own development?

Stojanovic: It has been asserted many times and in various organs of the federation that so-called Serbia proper is lagging in economic development.

This lag is not imaginary, it does in fact exist, it has been statistically confirmed. It would not be possible for the leadership of Serbia, party, state and otherwise, to close its eyes to these facts. It is correct that this lag could "feed" Serbian nationalism. But precisely in order that this nationalism be diminished, it is necessary to eliminate everything that feeds it, including doing away with this economic lag. And as for the question of whether the region of so-called Serbia proper is "guilty" of mistakes in economic development, it is perhaps best to look for an answer through an example.

Specifically, in so-called Serbia proper, much has been invested in the production of electric energy. This is good for Yugoslavia as a whole because electric energy is one of the most important deficit items for the entire country. This investment would have turned out well for so-called Serbia proper as well if the prices for electric energy had been at a level that assures corresponding profitability. But since this was not the case, previous and current investment in electric energy has turned out to be a mistake with respect to profitability. Of course, this is only part of the entire problem of Serbia's lag in economic development.

DANAS: Is it possible that all business people and directors have a priori a techno-managerial orientation, and that they are more prone to coalition with regional political bureaucracies than to respect economic legitimacies?

Stojanovic: One of the things in the Conclusion of the Long-Term Program for Economic Stabilization is the appraisal that some of the causes of the economic crisis need to be sought in the area of personnel. The greatest influence in choosing directors of organizations of associated labor is wielded by political structures within these organizations. This is why the directors are more dependent on these structures than on the economic efficiency of the organizations that they lead. Naturally this is bad and has to be changed.

DANAS: Is the plan by the federal government concerning changes in the economic system, as well as the outlined five-year plan not a step backwards towards a strong centralized state, and is it not a profound revision of the 1974 constitutional plan, the definitive abandonment of the economy based on agreement with incalculable political and economic consequences?

Stojanovic: With respect to the FEC [Federal Executive Council], I do not see, to quote you, "a step backwards towards the strengthening of a centralized state," nor a revision of the 1974 Constitution. And as regards the abandonment of the so-called economy based on agreement, I do not by any means equate the 1974 Constitution with this economy. In my opinion, one of the most essential basic principles of the 1974 Constitution (I think that this principle is found in the text of the Constitution under ordinal number III) is that the results of labor should be achieved as value on the market. This essentially means that the law of value should be the main regulator of the economy, in our self-management circumstances as well. To a large extent, the economy based on agreement forgot and neglected this. It wanted to exchange the law of value, which to a large extent functions as economic coercion, for an idyllic, general arrangement, for an association of

producers based on agreement. In the book that you mentioned at the beginning of the interview, Dragisa Pavlovic and I called this type of association "the binding of workers with bogus ropes."

The long-term program of economic stabilization also talks in some places about the fact that there were some false convictions in our country, especially during the 1970s.

Coming to terms with such convictions is one of the necessary assumptions for getting out of the present economic crisis.

One false conviction is the one according to which it is already possible today to get rid of the state, particularly the federal state, and to reduce the federation to that only on the basis of what the republics and provinces agree upon by consensus. In a more progressive way we would have to replace the society based on agreement with one based on contract and an economy based on agreement with one based on contract. Contracting has with it more obligatory elements than does agreement.

DANAS: What does the tendency by part of the OOUR [Basic Organization of Associated Labor] to repeal and the strengthening of the labor organization as an economic theme mean for the integrationist currents in the economy of Serbia? What are the latest trends and results in this area of the organization of the economy, and does this mean, as some critics have asserted, a quiet abandonment of the concept of associated labor and a return to enterprise, technocratism and self-management that may not and will not be socialist?

Stojanovic: That which is being done in Serbia on a different organization of economy by no means signifies an abandonment of the basic organization of associated labor, but rather a step closer to the concept of the Constitution of the SFRJ [Socialist Federal Republic of Yugoslavia]. The long-term program of economic stabilization contains a completely unambiguous position on the need for a reaffirmation of labor organization and of other high forms of economic organization. An effort is being made in Serbia, as it is sometimes said, to transform this very position into practice. It is a mistake to equate labor and combined organizations with technocratism. High forms of integration of the economy need to be linked with greater efficiency of production, but without efficiency there is no and can be no development of self-management.

12271

CSO: 2800/61

MILITARY

BULGARIA

DEPUTY DEFENSE MINISTER SPEAKS AT PARTY CONFERENCE

Sofia NARODNA ARMIYA in Bulgarian 28 Jan 86 p 2

[Article by Lieutenant Colonel Dragomir Gospodinov: "Critical Self-Assessment and Creative Summation"]

[Text] Problems of style were given priority after the National Party Conference and particularly after the BCP Central Committee February 1985 Plenum. The reason is their objective necessity, for their further theoretical substantiation and practical solution clears the way to the new and eliminates the barriers hindering our accelerated development.

Most of the delegates attending the party conference had come to the People's Army Club straight from training, from the tank training grounds and firing ranges and classrooms. After changing from their training uniforms, the envoys of the primary party organizations had come here with suggestions on resolving the problems affecting the collectives. Their main features were the responsibility with which they approach the implementation of their difficult and responsible assignments on further upgrading combat and political training and introducing restlessness and dissatisfaction with accomplishments.

I looked at those who were with me in the hall. They were listening closely to the report of the political department, submitted by Officer Dimitur Petrov and to the report of the party commission, presented by Officer Dimitur Popov, and were zealously noting assessments and recommendations.

The accomplishments of the party members in the unit during the period under accountability were numerous. They enhanced their role in resolving all problems related to the activities and daily life of the military personnel. The party organizations are increasingly dealing with problems related to scientific and technical progress. The number of party assignments for participation in the development of electronics and the automation of training material facilities has increased. Computers and microprocessors are being increasingly applied in combat training. This is having a positive impact on the level of combat readiness. Many of the subunits are among the best in the BNA [Bulgarian People's Army].

Political workers and party leaderships have become more skillful in determining the political significance of assignments. The party committees and buros are more successfully waging the struggle against indifference, careerism and some negative phenomena in army life.

Names, examples and analyses were provided bringing to light the comprehensive activities of commanders, staffs, political workers and party organizations in improving the quality of military work.

Both reports and the statements by Comrades Angelov, Yovchev, Iliev, Panayotov, Tsekov, Subev, Nakov and others, urgently raised the question of the responsibility of leaders who are party members about the conditions in their sectors and of the high moral example which must be set in the service and in personal behavior. Political workers and party organizations must work in such a way that all party members are worthy of the trust placed in them.

It was pointed out that not all party organizations are energetically reorganizing their work in the spirit of contemporary requirements. Some of them are insufficiently persistent in finding opportunities for upgrading their influence in resolving basic problems of combat readiness and discipline. They are sluggishly getting rid of formalism in ideological work and tolerating shortcomings. Some party members are showing complacency and satisfaction with accomplishments while the party organizations do not influence them through tried means and methods for correcting this situation.

It was honestly and openly stated that although the need for reorganization is acknowledged by all party members by no means have all of them become profoundly aware of the nature of the forthcoming changes. Some political workers and party leaderships limit themselves merely to reorganization appeals.

The statements by the party members made it clear that occasionally the activities of some political workers and party committees and buros involve the use of bookish methods instead of live work with the people. As a result of this, the link of warmth and trust is broken. Good decisions remain unimplemented and useful initiatives vanish. The consequence is failure to achieve the necessary end results in combat and political training, as confirmed by the fact that 22 percent of individual socialist competition pledges remained unfulfilled.

The fault for such weaknesses was sought not only in the performers but also in party members in the leading units which are in charge and which provide supervision and assistance.

The reports of the political department and the statements as well as the resolution which was discussed and unanimously adopted by all delegates specifically indicated the ways leading to improving the current situation. The conference defined as the main, the most important task of party work in the unit upgrading the responsibility of commanders, staffs, political organs and party organizations for steadily advancing the style and methods of work and management, displaying revolutionary thinking, scope and practicality in

applying the achievements of scientific and technical progress in comprehensive military activities.

Colonel General Atanas Semerdzhiev, first deputy minister of National Defense and chief of General Staff, began his statement with a description of the major aspects of the peaceful foreign policy offensive mounted by the USSR and the coordinated activities of Warsaw Pact members in the struggle for safeguarding world peace. He stressed the exceptional political far-sightedness of the statement made by Mikhail Gorbachev, CPSU Central Committee general secretary, which marked the beginning of a new stage in the broadening front of the peaceful offensive mounted by the USSR and the fraternal socialist countries.

The BNA chief of General Staff then listed a number of facts which prove that despite the Geneva meeting, the U.S. and NATO military and political leadership is continuing its efforts to disturb the established balance.

He pointed out that under contemporary conditions the confrontation between the two worlds in the international arena has been concentrated in the area of science and technology. He described in detail important aspects of the technical and production potential of the Soviet Union and the fraternal socialist countries, arguably and objectively proving the groundlessness of the illusions of the imperialist of having some kind superiority over the socialist countries in science and technology.

The revolution in military affairs at the present stage, the speaker emphasized, is determined by the fact that data processing is rapidly entering the armed forces. Furthermore, military data processing is turning into a major structural component of military affairs and the confrontation between the armed forces is largely turning into a confrontation in data processing. This faces us with a major problem not only of providing our military cadres with computer knowledge but also of maintaining their computer standards.

Col Gen Semerdziev indicated the areas in the style and methods of work of the party members on which they must concentrate their efforts now.

Problems of the scientific and technical revolution and the application of its achievements in military affairs should become the core of overall leadership, command-organizational and political work.

The problems of scientific and technical progress must assume their proper position in planning. They will indicate what must be done to make use of the achievements of the scientific and technical revolution in improving the organization of military work and, more especially, the intensification of the training process. How will contemporary computer equipment be used to improve planning itself, reducing time and easing the work of commanders and staffs?

Supervision and assistance in the armed forces must always be such as to create the best possible conditions for steadily directing and encouraging creativity in subordinate units in order to achieve higher results in training, based on the achievements of the scientific and technical revolution.

The struggle for efficient time utilization is a major element in organizational work. We must convert to a decisive elimination of excessive meetings and wasting the people's time. Conferences must be reduced to the necessary minimum and be businesslike.

The efforts to strengthen discipline must be continued, the speaker pointed out. The party organization must be the fighter against negative phenomena of all kinds. It must help to regulate this process and, wherever necessary, to display merciless exigency. Our party indicates to us where every party member should initiate the change--within himself!

The frank discussion held by the party members on problems of the practical application of the achievements of scientific and technical progress, outlining the ways and means of further study of achievements and shortcomings and the adopted efficient solutions will contribute to upgrading the role of party work in the qualitative implementation of assignments in all areas of training and combat activities in the unit, to mobilizing the troops in order to properly welcome the 13th BCP Congress and to ensure the active and purposeful implementation of its plans under army conditions.

5003

CSO: 2200/71

MILITARY

BULGARIA

FRENCH, FRG MILITARY-INDUSTRIAL COMPLEX DEVELOPMENT ANALYZED

Sofia RABOTNICHESKO DELO in Bulgarian 29 Jan 86 p 6

[Article by Rumen Gechev: "Intensification of Military-Industrial Ties"]

[Text] Intensifying cooperation between France and the FRG in the arms industry is one of the basic nuclei in military-economic cooperation within NATO. The implementation of cooperation programs between the two countries is a catalyst in the centripetal trends within the so-called "Independent European Programming Group" (NEGP).

France, which has a powerful military-industry base, plays a leading role in such cooperation. Its armament industry employs more than 300,000 highly skilled workers and specialists. France is the second largest exporter of weapons among the capitalist countries. Leading positions are held by the aerospace and missile Aerospaciale, Dassault-Breguet and Thompson-CSF concerns. Aerospaciale has the largest export possibilities. It exports 80 percent of the helicopters, 70 percent of the missiles and 90 percent of the aircraft it manufactures. These companies also account for the bulk of the orders placed on the basis of joint programs.

The FRG war industry as well is developing quite dynamically, employing 250,000 people. Its possibilities may be judged by the Bundeswehr-85 plan, according to which armaments worth 200 billion marks are to be manufactured between 1988 and 1997. The military-industrial circles in the FRG and the government circles related to them are interested in increasing their participation in NATO integration programs, including bilateral cooperation with France.

As a result of Washington's open political support, a number of restrictions which had been imposed on West German military industry after World War II, have been lifted. The Atlantic Alliance gave a green light to the Bundeswehr in meeting with domestic production its needs for basic armaments. Restrictions on the production of high-tonnage navy ships were eliminated in 1980; one of the last barriers in the production of heavy bombers and nonnuclear long-range missiles was lifted in 1984. Such "changes" significantly enhance the possibilities of FRG military-industrial companies for a more active participation in bilateral and multilateral NEGP programs.

The first contract between Bonn and Paris for the joint manufacturing of weapons was concluded in 1959 (the Transal military transport aircraft). A new agreement was concluded 11 years later for the production of the Alpha Jet airplane; the program was implemented by the Dornier West German company and the French Dassault-Breguet, SNECMA and Tourboneca companies.

Cooperation between France and West Germany in the production of various types of nuclear missiles has lasted more than two decades. It was started in 1963 with the Milan and Hot antitank missiles. Countries both within and outside the North Atlantic market are showing interest in the new Roland and Cormoran jointly produced missiles. Spain recently announced its decision to purchase 18 Roland-2 antiaircraft missile systems and 500 missiles for them. The first contracts have already been concluded with the Pentagon as well.

A French military delegation visited the FRG in April 1979 to discuss a package of suggestions for long-term cooperation in the production of various types of weapons and combat ordnance, such as a Leopard-type tank, an antitank helicopter, the TKF-9 tactical aircraft, and others. The recent meetings between President Francois Mitterrand and Chancellor Helmut Kohl have made it clear that military-industrial cooperation and specialization are being organized on a long-term basis and will continue to develop.

A characteristic feature of the military-political strategy of both countries is their aspiration to reach a certain level of self-support in terms of weapons and combat materiel. On the other hand, the requirement of high efficiency in war production presumes extensive series production, i.e., sufficiently big markets. This also calls for seeking mutually acceptable solutions by the two countries in creating a common market for some expensive models of aircraft and missile weaponry through specialization and cooperation on company and governmental levels.

Thus, the representatives of the military-industrial complex of the two leading NEGB countries are trying to reduce their production cost and upgrade tactical and technological characteristics. This is a vital necessity for them considering the uncompromising pressure exerted by American concerns on the Western European and developing country markets.

The Bundeswehr and its suppliers--Messerschmitt-Bolkow-Blom, Rheinmetall, Kraus-Mafai, Mak Maschinenbau, Krupp and others--are hoping to find a market for their goods, with the help of their French partners, in the already secured markets essentially in South America and Africa. The 1972 intergovernmental agreement on the joint submission of products at the markets of third countries has been a catalyst in cooperation relations. On the other hand, the practical activities of some West German companies indicate that, one way or another, the FRG is supporting the French EUREKA technological integration plan because of its possibility of extracting certain economic and political profits. Skillfully balancing its actions with the American "strategic defense" program, Bonn will do everything possible not to be left aside from the achievements in the area of military scientific research of its Western European partners and the related economic and political advantages.

The intensification of military-industrial integration along the Bonn-Paris axis has consequences which go beyond the framework of Western Europe. To France this means the assertion of its pro-Atlantic policies; to the FRG, it is an impetus in the revanchist feelings of some circles. In both cases this pours grist in the mill of the White House which, at the cost of insignificant concessions, would like to make Western Europe the sacrificial lamb of its military strategy.

5003

CSO: 2200/71

MILITARY

ROMANIA

TENTATIVE DETAILS OF LITTLE KNOWN NEW FRIGATE CLASS REVEALED

Koblenz MARINE-RUNDSCHAU in German Nov-Dec 85 pp 356-358

[Article by Siegfried Breyer: "Romanian Warship Building on the Increase"]

[Text] Our permanent staff employee for WP [Warsaw Pact] navies reports for the first time about new construction in Romania which heretofore has only been sketchily mentioned in the international literature.

For several years the relevant international fleet handbooks and the trade press (Footnote 1) (First mentioned in 1983 in "Jane's Fighting Ships" and also in 1984 in "Flottes de Combat" and "Combat Fleets of the World." Appropriate references also appeared in the 1984 and 1985 issues of "Naval Review" in the journal PROCEEDINGS which is published by the U.S. Naval Institute) have been reporting a remarkably striking increase in Romania's maritime strength. In addition to the new construction of three frigates--which have been given the NATO class code designation "Tetal"--the focus in them is primarily on a destroyer which was started in 1981 and is supposed to have been put in the water in 1982 and which has been undergoing outfitting since 1983. The meager data which have been made public about this new construction--4,500 tons displacement and 145 m long--were at first reminiscent of a destroyer built under license somewhat like the Soviet "Kashin"/"Kashin-mod" class while in the case of the "Tetals"--which are recorded as having 1,800 tons displacement and measurements of 93 x 11.5 m plus armament of 2 x 2 76-mm- and 2 x 2 30-mm-antiaircraft guns--the similarity to the Soviet "Koni" class, which is of almost same size and armament, emerged. These considerations appeared to be generally justified because both the "Kashin" class and the "Koni" class are among the types of Soviet warship which are cleared for export.

While to date there has been no evidence of the "Tetals"--the first unit is supposed to have been placed in service in 1983 and the second in 1984--, in the summer of this year there were reports in the Romanian daily press of the commissioning of a large warship which took place on 5 August with state and party leader Ceausescu present and which--designated as a "cruiser"--is named Muntenia (Footnote 2) ("Muntenia, formerly called Muntenien in German-speaking territory, is the name of a region in Romania including Bucharest which is also called "Great Wallachia"). The first published newspaper picture very surprisingly shows a ship which:

1. very clearly does not represent a copy of a comparable Soviet class and
2. is of a magnitude which seems to exceed somewhat the customary average size of a destroyer.

Based on its appearance it is clearly Romania's own development which, moreover, in respect to architectural design must be considered as independent. Nonetheless, Soviet support cannot be overlooked. This consists in the fact that the armament and electronics--at least the greater part of them--were supplied from the Soviet Union. In spite of its accelerated industrial development in the past few years Romania itself would not have been in a position, or if so then with great difficulty (and only with a large time delay), to arm and electronically outfit this ship from its own production. Regardless of party-ideological differences with Romania the Soviet Union probably recognized a benefit for itself and thus gave its consent to this arms business. Such a benefit could, for example, be gained from the interdependence of the system because maintenance and repairs of these facilities are normally done only by Soviet skilled personnel which makes it easier to control and also influence the navy of the politically independent (and from the Soviet point of view without a doubt suspect) Romanian ally.

The meager illustrated material which has been available to date shows a ship with a long forecastle deck and a short afterdeck. In the foreship area it has chine-type frames and the part of the ship's hulls located below them appears to turn strongly inward. The ship's hull ends aft in a square stern, forward with a strongly flaring stem. The superstructure is of substantial height; out of it tower multileg lattice masts whose outsides are thickly plated up to about three-fourths of their height so that they assume the contours of a turret mast. Behind the aft mast is the smokestack which in its upper section is divided lengthwise in such a way that the two openings are each inclined abeam. Based on its volume as well as its location it is likely that there is combined propulsion including gas turbines; even the precautions mentioned for lateral release of exhaust gases speak in favor of gas turbines.

As mentioned above the weapon and electronics systems come from Soviet supplies. This is true of all the facilities of this kind on board which can be identified from what is currently known. The details involve the following:

1. Two twin container groups fore and aft, four in all, for surface-to-surface missiles. These containers are very similar to the SS-N-2C facilities on the Soviet missile corvettes of the "Tarantul-I/II" class with which non-Soviet Warsaw Pact navies are also supplied. The SS-N-2C has--and clearly this is still not sufficiently well known publicly--"Seaskimmer" properties and is thus more difficult to detect with radar. This technology which was used first by the Soviets is viewed by their maritime opponents as a new threat factor; ships thus equipped have a clear advantage in combat effectiveness on the one hand, while on the other hand the possibilities for combating it are diminished.
2. Several 30-mm-antiaircraft weapons can be recognized, apparently two on each side. In this respect it is, of course, unclear whether they are AK 230 twin gun mounts or ADMG 630 Gatling multibarrel guns. These weapons are located on both sides of the smokestack and on the helicopter hangar which is integrated into the after superstructure.

3. Torpedo tubes are apparently located on the side deck between the two masts; these seem to be (long) 533-mm-tubes which are positioned at least in groups of two.

4. What is present in the way of weapon systems forward of the bridge superstructure can unfortunately not be discerned from the available illustrations. Nevertheless, it is possible to proceed with probability bordering on certainty that a turret gun is located on the forecastle while an additional weapon system, either a second turret gun or--and this seems somewhat more probable-- a surface-to-air missile weapon system (perhaps the SA-N-4) an antisubmarine weapon system or both, can be assumed in front on the superstructure deck--here flanked by the two forward SS-N-2C container groups.

The electronic equipment does not seem to have been completed at the time of commissioning; obvious gaps stand out primarily on the wheelhouse roof (which normally is reserved for the control equipment of the forward weapon systems), but also on the after mast. Nevertheless, the following can be reasonably well identified:

1. "Strut curve" radar and a "high pole B" antenna of the forward mast
2. Antiaircraft weapon control equipment behind the smokestack which involves either a "drum tilt" or a "bass tilt" depending on whether AK 230 or ADMG630 antiaircraft weapons are on board.
3. Two radomes installed on the after mast at great height cannot be identified; these could be Eloka systems.

This ship also has remarkable helicopter capability. The hangar appears to be so wide that two helicopters could clearly be housed in it. Of these, the one may be destined for antisubmarine missions and the other to be able to become a "flying relay station" in order to be able to use the surface-to-surface missiles beyond the ship's radar horizon.

The real size of this new construction must remain unanswered for the present because a more exact determination is not yet possible on the basis of the available pictures. Nevertheless, the optical effect of the new construction conveys the impression that the originally announced parameters are being exceeded. Its length may no doubt be estimated at 150 to 160 m, its standard displacement at about 5,000 to 6,000 tons. That the Romanians class it a cruiser and not a destroyer may not only be because of this, but may also be attributable to seeking to gain prestige with it. However, the classification may be defensible if the basis is the relatively strong main armament, which is somewhat plentiful for a destroyer, but appears appropriate for a cruiser.

Whether the Muntenia will be the only ship or whether it will have one or several successors cannot be foreseen at this time.

Beyond the Muntenia and the "Tetal" class frigates there are some other new developments in Romania's navy. Thus, a larger river monitor--NATO code designation "Brutar"--is being announced now which has been in service since 1982 and is supposed to have been stationed on the Danube. Its displacement is 400 tons, its dimensions are 43 x 8 x 1.5 m and it has armament which enables

it to take action in land operations; this consists of a 100-mm-gun in the turret of a battle tank (only the T-54 and T-55 battle tanks come into consideration), a 122-mm-salvo firing group (cited in "Jane's Fighting Ships" as "BM-22" and with 8 barrels, as "BM-21" in "Combat Fleets of the World" and with 18 barrels) and 2 14.5-mm twin antiaircraft machine guns which are located in the small turret; presumably the vehicle is also suitable as a minelayer.

Of a more recent date are the "Epitrop" class torpedo boats of which the first boat is supposed to have been put into service in 1980-1981. The boat's hull is identical to that of the Soviet "Osa" class, propulsion and armament agree with the Soviet "Shershen" class. The only photograph published to date clearly reveals the "Osa" origin because it shows the latter's characteristic superstructure including the tubular mast and the pylon which is fitted with a "drum tilt" antiaircraft weapon control system and is located at the back end of the superstructure block. Nevertheless, the mast with the "pot drum" radar differs from the "Osa" model. Armament and propulsion correspond completely to the "Shershen" model: Four 533-mm individual torpedo tubes and 2 x 2 30-mm L/60 antiaircraft guns and 3 Soviet M-503A diesel engines with a total capacity of 8,700 kW (12,000 hp), so that the boats which have a displacement of 200 tons and are 39 m long, 8.1 m wide with a 1.8 m draught, can reach a speed of 36 to 38 knots. In all at present there are said to be 14 "Epitrops".

In conclusion the two support ships (they clearly function as tenders for missile and torpedo boats) of the Croitor class must be mentioned which have been known since 1981. These generally pass as reduced versions of the Soviet "Don" class. The first picture of a Croitor appeared in the 1984 edition of "Combat Fleets of the World." Characteristic of this class is its typical flat wedge silhouette which among other things is caused by the fact that each third of the ship's hull is reserved for a functional purpose: in the middle third a continuous relatively high superstructure block with bridge, mast and smokestack, in the forward third one or more storage areas for torpedos and/or missiles with the appropriate receiving and delivery equipment, and in the aft third the helicopter platform which presumably is designed for VERTREP [not further identified] operations. Even a hangar is available, this is integrated into the aft section of the superstructure block. At the moment this class has 2 units which are registered in the cited handbooks at 3,500 tons full-load displacement, 110 m long, twin shaft diesel propulsion and armament of 1 x 2 57-mm- and 2 x 2 30-mm-antiaircraft guns and 2 x 2 14.5-mm-antiaircraft machine guns.

Overall Romania's high-carat naval arming which has been put into motion might well cause an economically enormous burden, and this always with a glance at its extremely high foreign debt and desperate economic and supply situation. But perhaps Romania is not so much concerned with establishing an outstanding position of maritime strength with these new ships, but rather is possibly pursuing a totally different goal: This would be conceivable in the development of the maritime export market in which the new ships touched on here may serve as "demonstration units" in seeking orders. Now that Yugoslavia and recently even Bulgaria, too, have gained access to this market, it would not be surprising if Romania's government is striving for the same thing. This country could very well have been induced to place its investments in the service of

the international arms business on the one hand by virtue of the increase in considerable industrial capacities, an increase which started several years ago in Romania independent of COMECON--CEMA--and the export successes in other sectors which thus far have not materialized.

12124/5915

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POLITICS

INTERNATIONAL AFFAIRS

NOVOSTI VIEWS CPSU PROGRAM, COOPERATION

AU101849 Warsaw ZOLNIERZ WOLNOSCI in Polish 5 Feb 86 p 4

[NOVOSTI article "Specially for ZOLNIERZ WOLNOSCI" by Dr Gyorgiy Shakhnazarov, not further identified: "The Unity of Historical Fortunes"]

[Text] The building of international relations of the new kind is still far from over. A lot still remains to be done on improving and polishing its mechanisms. And even though this process possesses an objective nature, the desire and political intentions of the parties and states taking part in it possess an enormous significance, of course. Among the chief aims and paths of international party policy, the draft new version of the CPSU program mentions multilateral joint activity in consolidating and developing the world socialist system.

It is worth saying a few words about the meaning of the concepts "world socialist system" and "socialist community," which are often wrongly interpreted as evidence of an alleged split between the socialist countries and the singling out of some "privileged group" from among them. This is the purest political speculation, and the concise formulations of the draft new versions of the party program provide this issue with the required clarity.

Marxist-Leninists take the world socialist system to mean all the socialist countries. As far as the concept socialist community is concerned, it emphasizes the nature of the mutual relations between the socialist countries--their participation in such multilateral organizations as CEMA and the Warsaw Pact, the existence of intensive multi-platformed cooperation between them, the coordination of tasks on the international forum, and broad interparty contacts involving all party bodies from the central committees down to the primary party organizations. Relations of socialist internationalism, the draft program stresses, have found their clearest expression in the socialist community.

One of the chief paths of cooperation within the framework of the socialist community is agreeing to a line of foreign policy, preserving and consolidating peace, creating favorable international conditions for socialist construction, safeguarding collective security, and opposing the forces of imperialism and reaction. It is quite understandable that combining efforts in this direction increases multifold the joint power of the socialist countries and enables them to exert a much greater influence on the course of events. In no way does determining a basic foreign policy line mean a neglect of the concrete national

interest of the fraternal countries in international affairs. It is this jointly established line which permits a more effective reaching not only of general objectives, but of individual ones as well.

A unity of goals and interests concerning basic and fundamental problems of world politics guarantees an objective possibility of determining a foreign policy line for the countries of the socialist community.

Combining Theory and Practice

As we know, theory and practice, as well as a program of life and life itself, sometimes run parallel and sometimes diverge. One of the chief qualities of the new version of the CPSU program, evidence that it correctly foresees the future and meaning of the objectives expressed in it, is that it joins and even amalgamates into one whole programmatic requirements and current policy.

For example, speaking out in favor of a further enhancement of socialist economic integration as the material basis for the socialist countries' cohesion, the CPSU regards it as particularly important to consistently concentrate the efforts of the fraternal countries on key paths of intensifying production and accelerating technological progress, so that the joint historic task of leading in science and technology and of raising the standard of living and security of their peoples may be fulfilled.

One can say with total justification that theory and practice and program and life have converged, and even joined together into one whole. Let us recall that at the June 1984 CEMA economic conference it was decided to jointly work out a program of scientific-technological progress designed to cover the next 15-20 years.

Let the following fact illustrate the feasibility of taking a lead in all basic spheres of scientific-technological progress. The socialist countries employ a total of 5,000 scientists, of whom one-third is directly involved with research. As far as expenditures on basic experiments and experimental models are concerned, such countries as the Soviet Union, GDR, and Czechoslovakia are among the world's leaders. Right now the essence of the matter is to improve the effectiveness of the large outlay on science and speed up the introduction of scientific achievements into production. These tasks can be best solved with the help of international scientific and production teams. Many such teams happen to have emerged lately with the involvement of the GDR, Czechoslovakia, Bulgaria, and Poland.

The purpose of speeding up scientific-technological progress and the priorities connected with this are assuming fundamental importance. It is here that one difference between socialism and capitalism reveals itself.

It is no secret that in the capitalist system, the so-called strategic Defense Initiative has been fully geared toward military purposes, although the scientific achievements and discoveries connected with it will of course find civilian application.

The Warsaw Pact countries' approach in this regard is a complete contrast. In their Sofia declaration, the leaders of these countries regarded it as essential to underline the fact that today international cooperation should be geared exclusively to peaceful purposes and should cover the world. They put forth the idea of a uniform world program of scientific-technological cooperation which would be the best safeguard that new achievements of human genius will not become an apple of discord between nations, but instead will be used collectively for the sake of general interests. The socialist states have said that they are ready to contribute toward working out and implementing such a program.

Supreme Tasks

Returning to the problem of integration, let us say that it is clearly reflected in the level of trade between the socialist countries. For example, following the coordination of plans, total exports and imports between the USSR on the one hand and Poland, the GDR, and Czechoslovakia on the other have reached the enormous value of R215 billion. The world hardly knows of any similar examples.

It is obvious that figures and general paths do not yet present an overall picture of the projects dominating the daily agenda. We find data on this subject in the pregress document entitled "The General Paths of the USSR's Economic and Social Development from 1986 to 1990 and Up to 2000." This document stresses that many long-term projects are going to be realized together with the CEMA countries: the gas pipeline from Yamburg to the western border of the USSR with a length of over 5,000 km, nuclear power stations, an iron ore processing combine in Krzywe Rogi, the utilization of oil and gas deposits in the Caspian Basin, and a further expansion of the joint energy system of the socialist countries.

The program documents of the 27th congress paint broad prospects for the development of multilateral cooperation with our friends and allies. What can be its common denominator?

Economic cooperation is an exceedingly important matter concerning the material aspects of relations between the fraternal countries. It permits the application of tried and tested forms and an avoidance of mistakes. The jointly determined foreign policy of the fraternal states multiplies their strength and consolidates socialism's joint positions. All this has remained and will remain at the center of attention of the ruling communist and workers parties.

But the CPSU places above all this the supreme task of consolidating the friendship between the peoples who are proceeding to the future together. The stronger and more lasting this friendship, the more quickly and successfully will the multilateral plans for developing cooperation be fulfilled and joint international activity develop.

The Soviet people have always possessed an enhanced internationalist feeling, and this has become second nature to them. It is of cardinal importance that this feeling be adopted by young generations of builders of communism, who will continue the work of developing and improving the new historic type of international relations.

POLITICS

BULGARIA

REPORT ON INTERNAL AFFAIRS ACCOUNTABILITY, ELECTION MEETING

Sofia NARODEN STRAZH in Bulgarian 29 Jan 86 pp 1, 2, 4

[Report prepared by Colonel Khristo Georgiev, Colonel Stoyan Stoyanov and Major Vacho Radulov: "MVR [Ministry of Internal Affairs] Communists Are in the Leading Ranks of the Great April Construction; 30th Accountability and Election Conference of the Rayon Party Organization of the Ministry of Internal Affairs"]

[Text] It was reported from the lofty rostrum of the conference that on the eve of the 30th anniversary of the historical April BCP Central Committee Plenum communists, Komsomol members and all MVR cadres are unreservedly dedicated to the Bulgarian Communist Party. United and cohesive around the Leninist general April line of the BCP Central Committee, they are filled with inflexible resolve to carry out impeccably and efficiently any new task in guaranteeing the safety and model public order in the country. They are ready to help to create optimal conditions for the calm, peaceful and constructive toil of the people during the 9th 5-year plan and to ensure the strict observance of socialist legality and to wage an uncompromising struggle for surmounting negative phenomena in life.

In the final 2 years of the 8th 5-year plan the party members and the entire MVR personnel have dedicated their efforts to the successful implementation of the tasks set to our people by the 12th BCP Congress and the National Party Conference. They have been steadily guided in their daily work by the new theoretical developments and practical approaches formulated by Comrade Todor Zhivkov, his report notes to the BCP Central Committee Politburo on improving the work style and methods and mounting a decisive struggle against negative phenomena in life, the sacred April principle of applying a political, a class-party approach to all work and the resolutions of the collegiums of the MVR and the BCP rayon committee plenums, the implementation of which has brought about the development of an iron military discipline and strict statutory order in the units and upgraded the combat readiness of the personnel in all detachments and high successes in the struggle for security and model public order.

Delegates representing the party members of the central units and the Sofia city MVR administration went to the G. Kirkov Hall of the Party House in Sofia, on 28 January last, to analyze the specific dimensions of these

successes and, on the basis of tomorrow's criteria, to determine the accurate line of their progress in the future. Their excitement was understandable. They had come here to compare their accomplishments with their pledges, plans and intentions and to relight in their hearts the flames of party restlessness and the aspiration for ever new gains and for a worthy meeting of the forthcoming responsible and important event in our country's life: the 13th BCP Congress.

The following attended the conference: Colonel General Dimitur Stoyanov, BCP Central Committee Politburo candidate member and minister of internal affairs, Georgi Georgiev, first secretary of the Sofia city BCP committee, and Col Gen Velko Palin, head of the Social and National Security Department of the BCP Central Committee.

Major General Nikola Lalchev, committee first secretary, delivered the introductory speech on the work of the rayon committee and the MVR party organization for the period under accountability (the delegates had already studied the report). He emphasized that the 2 years which had passed since the 29th accountability and election conference had been a period of major testing of the forces and possibilities of the party organs and organizations and of all party members and personnel of the ministry rapidly to react and respond to the circumstances with competent and legal actions.

Both introductory speech and accountability report repeatedly emphasized that the positions gained in all areas are the result of the steady implementation of the party's April strategy in the life and activities of MVR bodies, making it the meaning and content of our struggle for security and law and order. The direct guidance, trust, attention, concern, control and increased exigency of the BCP Central Committee, the Politburo and, personally, Comrade Todor Zhivkov have a primary and determining role and significance in perfecting the overall activities of the ministry and the rayon party organization.

It was gratefully reported that our successes are directly related to the ever deepening and broadening fraternal cooperation and unity of action with the KGB [Committee for State Security] and the MVR of the USSR and the other socialist countries.

The permanent truth that the strength of the MVR bodies lies in their constant and firm ties with the working people and their total subordination to the interest of the people was reasserted at the conference.

The main feature of party work during the accountability period was the further decisive strengthening and broadening of its single line and dialectical unity with official activities and its orientation toward the political, ideological and organizational support of the basic operative, educational and social tasks facing the official collectives.

The MVR rayon BCP committee, which includes the most responsible official and party aktiv has become a leading collective power in achieving a higher quality in the organizational and control functions of party activities. Without duplicating the official managements, the party committees in the

units handle specific work problems with increasing promptness, depth and comprehensiveness.

During the accountability period the main task of the party bodies and organizations was to upgrade the efficiency of the political, ideological and organizational work in order to enhance the revolutionary vigilance of the personnel. A number of steps were earmarked to improve the work of the rayon party organization, sharpen the political vigilance of the population and strengthen the protection and self-protection of economic and other projects in accordance with the April 1985 BCP Central Committee Politburo resolution.

Comrade Todor Zhivkov's report note of August 1985 to the BCP Central Committee Politburo rates as exceptionally important the tasks of the MVR organs in the struggle against negative phenomena and deformations in our life and, above all, the defense, protection and assistance given to the development of the socialist economy. The main trends in the work of the collectives and the party bodies and organizations in this area were provided by the programs adopted at the expanded meeting of the MVR Collegium and the BCP rayon committee plenum.

The resolutions adopted at the joint session of the collegium and BCP rayon committee buro of September 1985 and the November 1985 rayon committee plenum provided a new and significant impetus for a profound study of the style and work methods and for energizing the struggle against economic crimes, thefts, waste, negligence and corruption.

Considerable work was accomplished after the 1985 national conference of the party, economic and social aktiv, which strongly linked problems of the protection and preservation of the economy with political vigilance. Party and official activities became increasingly focused on the basic objective: the defense, protection and assistance in the development of the national economy as tasks undertaken by the entire MVR personnel. Many positive results have been achieved as a consequence of the steady enhancement of the activeness of MVR organs. In the past few years the party members in the central MVR and Sofia city MVR administration units achieved new successes in helping to develop the national economy and in the struggle against ideological subversion, sabotage, corruption, currency-smuggling crimes, major attempts on socialist property, etc.

Also noted in the report was the fact that the work style and methods are steadily improving and that more efficient methods are used by the people's militia in protecting economic projects. Of late the percentage of recovered damages has risen to 63.7 percent.

Deserved praise was voiced at the conference for fire fighters, communists and all personnel. Through their extensive preventive and fire fighting activities, the fire fighting bodies are creating the necessary conditions for fire prevention at important economic and industrial sites.

Systematically implementing the stipulations of the February 1985 BCP Central Committee Plenum, the party members of the TsUPO [Central Fire Fighting Administration], the UPO [Fire Fighting Administration], and the Sofia city

administration of the MVR are developing and applying specific measures to perfect the organization, methods and forms of work of fire fighting bodies at the stage of the rapid development of their material and technical base.

Improvements were also noted in the preventive work done by the DS [State Security], the NM [People's Militia] and the PO [Fire Fighting] in protecting the economy.

Great attention was paid to strengthening the signaling and information function of MVR bodies.

One of the conclusions contained in the report directs us to the need to intensify overall protecting activities, which must be considered today one of the most important tasks of the MVR organs. Particularly urgent in this respect is to strengthen even further the interaction among the DS, NM and PO in providing comprehensive protection of major economic projects. In this area fuller use must be made of the opportunities of the double subordination of the NM and the PO in involving the state and economic bodies and the public in the protection of socialist property.

The party bodies and organizations in the DS units are engaged in systematic and meaningful political, ideological-educational and organizational activities in order to strengthen the political approach in the work and to increase the mobilization and responsibility of the party members in the struggle against the increasing activeness of imperialist intelligence, the ideological subversive centers and the vestiges of domestic class enemies.

Positive results have been achieved in the activities of the NM. The official and party leaderships of the DNM [People's Militia Directorate] and the SGU and the political and educational work bodies intensified their political, educational and organizational activities in mobilizing and energizing the personnel. In the period under consideration new successes were achieved in the struggle against criminal delinquency, hooliganism, idleness and other antisocial actions. The percentage of crime detection has increased. The organization of the work in a number of militia subunits has improved.

The Sofia militia honorably acted in ensuring normal order in the numerous mass actions. The national traffic safety program is being successfully implemented.

However, the stipulations in Comrade Todor Zhivkov's report note call for decisively improving party and official work in the NM with a view to upgrading the efficiency of preventive-administrative and administrative-penal practices in the struggle against petty crime, such as thefts, waste, appropriations, violations of laws, acts and decrees, in agriculture particularly and in the service industry, which corrupt to the greatest extent the people's consciousness. Supervision of the work of the guard subunits and the KAT [Motor Vehicle Control] is insufficient. The steady enhancement of the skill of militiamen has now become the center of party and official activities of the command personnel.

During the period of accountability the efforts of the leadership of the ministry and the units and of the party bodies and organizations, aimed at improving administrative services to the population, continued.

It was pointed out that the new strategic tasks of the scientific and technical party policy, formulated after the 12th BCP Congress and, above all, at the February 1985 and January 1986 plenums and the 19th session of the Eighth National Assembly, formulate new stricter requirements for the party members and the other personnel in making consistent and purposeful efforts to master the use of scientific and technical progress in all areas of MVR work.

The prime task set by the ministry's leadership was to intensify and broaden within the MVR unity between science and daily practice and administrative activities. Last May the MVR Collegium discussed the Basic Directions in the Further Application of Scientific and Technical Progress in the Work of the Various MVR Units on the basis of the report note of the minister of internal affairs.

The propaganda and agitation activities of the RK [Rayon Committee], PK [Party Committee] and PPO [Primary Party Organization], related to the problems discussed at the February plenum, were expanded and made more varied.

All of this enabled us to continue with the successful mastery and application of a scientific approach in the work of MVR bodies during the period under accountability, in accordance with the tasks set by Comrade Todor Zhivkov at the 1981 National MVR Conference, and to create good prerequisites for the implementation of the February plenum resolutions.

Despite such positive results, bearing in mind the enhanced party criteria, the pace at which science and technology are being applied and the efficiency of their utilization are not entirely satisfactory. The PK and PPO must intensify their control and exigency in upgrading the efficiency of the scientific and cadre potential of the ministry and decisively uprooting self-seeking objectives, low quality and low pace and lack of relevance and alienation from practical work in some scientific research and development projects.

It is particularly important at the present stage for the RK, PK and the party buros and party members in the cadre services to expand the dissemination of science in the units and to demand and assist in mastering scientific means and methods which must become an inseparable element in the upbringing and training of the entire personnel.

The organizational, educational and political work of the PPO must be concentrated on the ever better and comprehensive utilization of science and technology in perfecting administrative activities and the socialist organization of labor and obtaining maximal results from operational, investigative, protecting and other activities.

The report repeatedly emphasized that the successful solution of the responsible problems set by the party to the ministry at the present stage depends to the greatest extent on the work style and methods and the condition

of the subjective factor. At their September 1985 joint session, the collegium and the BCP RK studied profoundly and in detail the basic problems of the work style and methods in the ministry in the light of Comrade Todor Zhivkov's report note to the BCP Central Committee Politburo and expanded measures were adopted. The PPO meetings held on this problem and the annual accountability and election meetings indicated that the high criteria of changing the work style and methods and upgrading the responsibility of the subjective factor and making it consistent with the needs of MVR development are becoming the criteria governing all party and official activities. It was also reported, however, that major problems exist the solution of which should be undertaken by the PPO and the official leaderships even more persistently and consistently in order to be able to meet the requirements of decisively upgrading the quality of our work in ensuring safety, public order and legality in the country.

A great share of omissions and shortcomings in party and official activities have to do with the organization of the work and the implementation of adopted plans, resolutions, orders and other legal acts. We, Comrade Lalchev said, did good preliminary preparations and carried out a number of good measures. In most cases we adopted good plans and resolutions aimed at high efficiency. However, their implementation in the daily activities and life of the PPO and the party groups and in the activities of individual party members and officials does not meet requirements.

Discipline is a problem of particular importance in improving the style and methods of work and enhancing the life stance of the personnel. The model order which the party now demands of us presumes iron military discipline, the highest possible personal responsibility for assignments, rejection of any kind of liberalism or forgiveness and strict penalties for violators. The party bodies and organizations must take the lead in the struggle for strict statutory order in the units. They must inspire, organize and carry out the rejection of anyone or anything which lowers the quality of labor.

Control must be raised to a new level.

Life dictates that priority in control must be given to the organization of the implementation of any assignment, from beginning to end, and the summation and dissemination of leading experience. The party bodies and organizations must study and consider public opinion and the critical remarks and suggestions of party members much more extensively and steadily. They must protect cadres who are daringly pointing out shortcomings and are struggling against them and their bearers.

The reorganization of party and official activities in the spirit of the requirements of the February 1985 plenum and Comrade Todor Zhivkov's report notes call for directing them on a priority basis to achieving high quality training and activities of cadres on all levels. Currently efforts in this area must be directed toward achieving competence based on the full mastery of the scientific approach and a new method of operative thinking and comprehensive use of electronics, electronic data processing and scientific organization of labor. The meaning and content of educational work must be to enhance the conscientiousness of all officials and their full mobilization in

resolving the difficult and responsible assignments in ensuring safety and public order.

Improvements and expansion of content and scope in the work of the rayon party organization during the accountability period and the systematic increase in the speed and efficiency of ideological influence in accordance with the topical problems resolved by the party, the state and the MVR bodies have been the most characteristic features of ideological work in the organization. The shaping of a Marxist-Leninist outlook among the party members and the other personnel is the determining link in party political work. The lectures delivered by Comrade Todor Zhivkov to the students and teachers of the BCP Central Committee AONSU [Academy of Social Studies and Social Management] and his speeches, statements and reports at the National Party Conference and the February BCP Central Committee Plenum were studied profoundly and with natural interest. The active and systematic participation in political education of the most senior party and state leaders have a beneficial impact on its results.

The BCP RK positively rates, as was pointed out in the report, the results of the work of the party bodies and organizations in terms of the Marxist-Leninist upbringing of cadres. The qualitative changes which have taken place in this area are manifested essentially in the increased contribution made by the political education system in the conscientiousness and activeness of the personnel in carrying out their assignments.

The share of lectures in enhancing the ideological standards of the party members has been increased. In this case the profound and substantiated statements and reports by Col Gen Dimitur Stoyanov, BCP Central Committee Politburo candidate member and minister of internal affairs, on the task of MVR bodies in the contemporary complex international, ideological and practical situation, delivered at meetings and conferences with the official, party and Komsomol aktivs, play an important role and are of great significance.

The necessary conclusion is that positive results have been achieved in the comprehensive development of the system of ideological and political training of the party members at the rayon party organization and that it is functioning with increased efficiency.

Party committees and primary party organizations are making increasingly successful use of the various means and methods of asserting the revolutionary, combat and labor traditions developed in our authorities and the fraternal KGB and MVR of the USSR in the work to promote the class-party training and patriotic and internationalist upbringing. The speaker emphasized the tremendous contribution made by the revolutionary guard of the ministry and the pioneers and veterans of MVR bodies in training the young cadres in a spirit of inflexible loyalty to the party's cause and class hatred of the enemies of socialism.

The period under accountability was characterized by the increased attention paid to further improvements in the moral and aesthetic upbringing of party members and the entire personnel.

The accelerated development of ideology among MVR bodies demands today the increasing, deeper and steady work with individual personnel and seeking the most direct way of influencing him and turning him into a political party fighter.

An essential aspect of the work of the BCP RK is the steady upgrading and enrichment of programs, plans and measures based on changes in the circumstances. This established style is making the work of the RK, the PK and the PPO increasingly specific and efficient. It was reported at the conference that the two-year mandate program of the BCP RK has been carried out.

After the introductory speech the delegates discussed the report and the draft resolution.

Party member Anton Musakov pointed out that party control and help in surmounting stereotypes in thinking and routine in the actions of some officials and for enhancing the level of signaling and report and analytical activities must be further intensified. He also discussed the question of firmly rebuffing the efforts of ideological subversion by imperialism, particularly among young people.

Currently, Todor Alandzhiyski said, our ideological education work is directed toward enhancing the role of the subjective factor, the fuller utilization of concealed reserves and the energizing of party members and the entire personnel in the implementation of one of our primary tasks--protecting and assisting in the development of the economy. One of the particularly important requirements in upgrading the efficiency of such activities in the 9th 5-year plan is to expand and intensify our interaction with the other MVR units and state and public bodies and organizations.

Delegate Kiril Maslenkov discussed problems of the selection, training and placement of cadres. He spoke of the main factors which can help to upgrade the work with cadres and on the interaction between cadre personnel and party bodies and organizations as a prerequisite for improving cadre work.

The organizational prerequisites which were created during the period under accountability enhanced the efficiency of investigative activities aimed at eliminating the reasons and conditions for delinquencies, delegate Kostadin Kotsaliev pointed out.

Delegate Svetoslav Vladov spoke on the use of electronics in the activities of MVR bodies. He described the extensive organizational, explanatory and propaganda work which had to be done to surmount the psychological barrier among a high percentage of the personnel concerning the efficiency of the use of computers in daily and management activities.

Comrade Petko Kiprovo stressed that the basic activities of the party members in their party organization during the period under accountability was aimed at upgrading the quality of training and education. Particular attention was paid to improving the specialized, service-combat and ideological training of

the personnel. Modern technical facilities are being increasingly used in the training process, he said.

Yordan Tankov described the efforts of the DNM party and official leadership to improve the work style and methods of the people's militia.

"We are well aware of the fact that we, the party members of the "rear" administration must take increasingly into consideration the comprehensive needs of the units for material and technical supplies in the implementation of current assignments," delegate Petur Kolev reported at the conference.

Comrade Ivan Ivanov spoke on the patriotic and internationalist upbringing of young personnel. He described the steps taken to improve the work style and methods in Komsomol societies, to develop youth scientific and technical creativity and to enhance the activeness of Komsomol members in the implementation of their assignments.

Marin Yordanov shared valuable experience in party organizational activities aimed at improving work quality.

"Ideological upbringing," party member Traycho Ivanov said, "must help today, more than ever before, to enhance the conceptual convictions and social activeness of the personnel, to upgrade their combat readiness and enhance their moral and ideological firmness."

Comrade Levcho Gogov spoke on ensuring traffic safety in Sofia. He discussed the question of unity of official and party work and the place and role of control, exigency and aid.

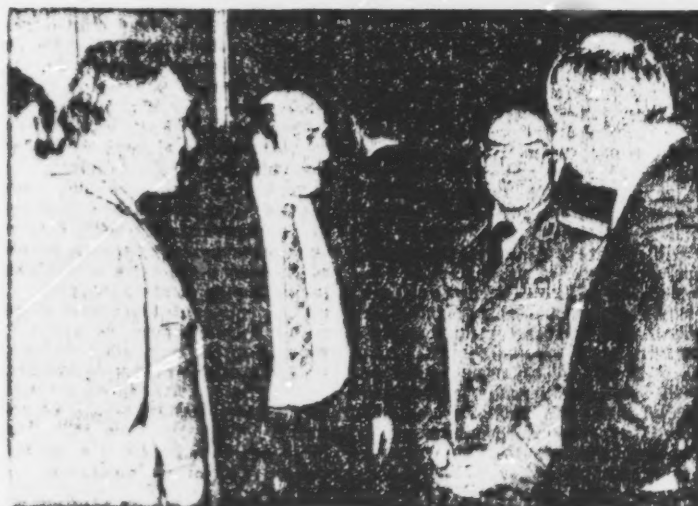
The delegates heard with great attention the profound and thorough statement of Col Gen Dimitur Stoyanov, BCP Central Committee Politburo candidate member and minister of internal affairs.

On that day, a profound balance was drawn on the results of the efforts of the party members and all personnel of the central units and the MVR Sofia city administration on the implementation of the resolutions of the 12th congress and the National Party Conference, at the high rostrum of the 30th accountability and election conference of the MVR rayon party organization.

Unresolved problems and incompletely used reserves for improving the style and methods of work and decisively enhancing the vigilance and efficiency in the struggle against negative phenomena and for the strict observance of socialist legality and public order were not avoided.



Photograph of some delegates at the conference



During a break delegates are engaged in
a lively discussion of the problems

The report, the resolution and the statements of the delegates showed dissatisfaction with achievements and the resolve to mount an offensive struggle in the spirit of the practically tried Leninist April strategy and tactics in guaranteeing the peaceful, calm and constructive toil of the people. In answer to the strict party requirements, the delegates to the conference swore a sacred oath that everyone in his position will lead through example and daring his combat comrades in inspired toil in welcoming with worthy accomplishments the forthcoming Thirteenth BCP Congress.

A new BCP rayon committee of the MVR was elected at the conference. Nikola Lalchev was reelected first secretary at the first committee session.

5003

CSO: 2200/79

POLITICS

BULGARIA

VARNA OKRUG INTERNAL AFFAIRS CHIEF INTERVIEWED

Sofia NARODEN STRAZH in Bulgarian 12 Feb 86 pp 1-2

[Interview granted by Major General Veliko Stankov, chief of the Varna Okrug MVR [Ministry of Internal Affairs] Administration: "Protecting Socialist Property is our First Concern"]

[Text] People and Militia Bear Equal Responsibility

Question: One of the basic requirements of the concept developed by Comrade Todor Zhivkov of the owner and the manager of socialist property is its protection. What type of system has been developed in the okrug for the implementation of this important task?

Answer: Before turning to specifics, let me inform your readers of some general data on the day-to-day situation which determines the trends in our work.

Varna Okrug holds an important position in the country's socioeconomic structure. From an agrarian area, neglected in the past, today in a single year its output is about quadruple that of the industrial output of the entire country in 1939.

The strategic areas of industry and transportation have developed faster and comprehensively after the April plenum. Today the okrug is a powerful industrial area which includes 220 different enterprises, 70 of which are industrial, 8 large combines, 10 agroindustrial complexes and 3 economic trusts. Today our working people account for 30 percent of the internal combustion engines, 70 percent of the ships, 23 percent of the power and 14 percent of the chemicals produced in the country.

In addition to its contemporary intensive multisectorial agriculture, with 1,740,000 decares of arable land and numerous livestock farms, our area is also a most renowned international resort.

The okrug has a widespread transportation system. We have large modern ports with more than 30 docking berths. The Bulgarian maritime fleet has about 100 modern ships and our automotive fleet numbers more than 100,000 vehicles.

It would be inconceivable to assign militiamen or guards to protect each warehouse or other vulnerable areas. Under our social relations this must be the obligation of the labor collectives themselves. This problem was highly competently developed by Comrade Todor Zhivkov in his scientific approaches and theoretical developments which became a starting point in our activities.

We are working on a comprehensive basis through a system developed in the okrug, which includes 120 prevention councils, permanent commissions in charge of investigations as per Council of Ministers letters Nos 52 and 32; 50 motorized groups assigned to the agroindustrial complex to protect agricultural commodities; detachments of the DOT [Voluntary Detachment of the Working People], assigned to the most important projects; and the personnel of the departmental militia and guards.

Although by law the main role in this system is assigned to our personnel, the okrug administration has made great efforts to coordinate their activities with the economic managers and the party, trade union, Fatherland Front and Komsomol organizations.

To this effect we took a number of party-political steps within the school year, emphasizing the second lecture delivered by Comrade Todor Zhivkov to the students and teachers of the AONSU [Academy of Social Sciences and Social Management]--"Development of Socioeconomic Relations and National Economic Management." The assessments and concepts included in the lecture were considered in terms of our functional obligations.

It was in this light that we formulated the task of comprehensively broadening relations and increasing contact with economic managements and labor collectives. The patronage principle which we applied energized the desire to be in daily touch with the respective enterprises. Meetings with labor collectives became a permanent work method. In addition to the study of existing negative phenomena, at such meetings the workers themselves suggested a number of specific measures for their elimination. For example, at a meeting with the collective of the Purvi May State Textile Combine, several people concernedly raised the question of the improper location and poor preservation of the cotton received from the USSR. The disparity between the strict admission system and the unprotected sectors on the side of the canal leading to the lake was stressed at the St. Peev Glassware Plant. A similar question was raised by the personnel of the Odesos Ship Repair Yards. The collective of Khranitelni Stoki sharply reacted to the poor preservation of reusable containers by some storekeepers, etc.

These facts prove that the invisible barrier which has existed so far on this matter separating our personnel, as guardians of the law, and the labor collectives, has begun to be surmounted. We are pleased that the reciprocal interest in the efficiency of the new system for the protection of socialist property was realized.

Question: The right of being managers of socialist property sets new social responsibilities and obligations to the labor collectives. Are they being properly implemented in the individual enterprises in the okrug's industry and agriculture?

Answer: The consideration of labor collectives as managers of socialist property is a characteristic feature of a developed socialist society. It contains a new meaning typical of the current sociopolitical stage, ascribing to this problem both a moral and a material aspect. At this point, however, I would add the following to your question: Has there been a change in the attitude of the labor collectives and individual workers toward the problem of the protection of socialist property?

We are pleased to say that under the leadership of the PPO [Primary Party Organizations] and the participation of the mass sociopolitical organizations, such as the Komsomol, the Bulgarian trade unions and the Fatherland Front, and the work of our own authorities as a whole, certain successes have already been achieved in the okrug.

We can see a certain energizing and enhancement of concern for the protection of socialist property, of a process which develops social intolerance of such negative phenomena and gives us reasons to rely on the watchful civic consciousness of the working people.

Naturally, this is not a spontaneous or intuitive process but a politically realized right and obligation. As a result of this the labor collectives in Varna Okrug are implementing their managerial functions through their own agencies: prevention councils, state and people's control commissions, DOT and comrade courts. All in all, in 1985 alone, the okrug labor collectives submitted more than 350 proposals related to the protection of socialist property.

As far as agriculture is concerned, in which as a result of the specific nature of technological processes and the scattered location of the sites possibilities for violations are greater, matters are somewhat different. The still extant private ownership interests motivate the population to commit delinquencies. Certain conditions for this are also created by the leaderships of some agroindustrial complexes because of their somewhat careless attitude toward finished products and inventory. I will dare say that in this sector the concept of the collective as manager has still not reached the level of realization as in industry.

Question: How great is the contribution of the MVR okrug administration in the protection of socialist property?

Answer: A specific assessment of our contribution would show the following: In 1985 the MVR authorities prevented a number of economic crimes. For example, last December when the lambing period began, we carried out unannounced investigations in livestock farms. In the Dulgopol Agroindustrial Complex alone there were 100 unregistered lambs; there were 150 unregistered lambs at the Aksakovo Agroindustrial Complex.

It would be difficult to determine specifically the results of our signaling functions. In industry, last year we submitted to the okrug BCP committee 118 reports on negative phenomena, 43 of which in agriculture. Furthermore, we sent 364 signaling letters to various enterprises. We frequently receive feedback on prompt and accurately carried out signaling functions.

Blocking operations are a highly efficient form of protection of socialist property, conducted jointly with the DOT and the people's councils.

Question: What are the results of the efforts to protect industry and agriculture and what problems remain to be solved in this respect?

Answer: I can quite definitely say that, as a whole, our work has reached a higher level. This has been particularly felt in recent years and has been helped by the improved standards.

The most important and efficient factor, however, is the great understanding shown by the okrug BCP committee regarding such matters. Concern for surmounting the indifference of individual collectives regarding the treatment of public property is a target of extensive political education work. In addition to organized measures in plants and districts, several conferences were held by the okrug party and economic aktivs. We prepared for them reports on the state of the struggle against negative phenomena in the economy and, in particular, the protection of socialist property.

I shall not go so far as to say that an upturn has been achieved in the okrug, for so far it has been achieved only in terms of the attitude of the public toward the problem. The overall solution of the problem requires not only the desire to resolve it but a great deal of educational work as well.

Currently each economic project has a specific official appointed by the economic management in charge of interacting with us and being entirely in charge of problems covered in Council of Ministers letters Nos 52 and 32.

What are the problems to be surmounted?

First is to develop a reflex in the managements of economic projects to see themselves the omissions existing in the protection of their basic assets, goods and raw materials. Education must be properly combined with material penalties toward violators and the development of social intolerance not only of them but of existing callousness as well.

Second is to optimize the system for the protection of public property and products in agriculture. It turned out that our personnel and motorized groups draw up reports while the obshtina people's councils do not issue penal decrees. For example, 320 reports were drawn up based on violations of the ZOSI [Law on the Protection of Agricultural Inventory] without penalties being imposed for 140 of them in the Dulgopol settlement system.

Third is energizing of the entire personnel for the full and uncompromising exercise of the rights granted to us by the Law on Administrative Violations and Council of Ministers letters Nos 52 and 32.

5003

2200/79

POLITICS

BULGARIA

INTERNAL AFFAIRS DEPUTY MINISTER HONORED, INTERVIEWED

'Hero of Socialist Labor'

Sofia NARODEN STRAZH in Bulgarian 22 Jan 86 p 1

[Text] Colonel General Grigor Shopov, first deputy minister of internal affairs, is 70 years old; he has been awarded the title of Hero of Socialist Labor for the second time.

A ceremony was held by the leadership of the Ministry of Internal Affairs, the MVR RK [Rayon Committee] of the BCP, the Dzerzhinskiy Rayon Komsomol Committee and the BPFK [Fighters Against Fascism and Capitalism] Committee at the MVR at the movie hall of the ministry in honor of the 70th birthday of Hero of Socialist Labor Col Gen Grigor Shopov, BCP Central Committee member and first deputy minister of internal affairs.

The official guests included Col Gen Dimitur Stoyanov, BCP Central Committee Politburo member and minister of internal affairs, Col Gen Velko Palin, head of the Social and National Security Department of the BCP Central Committee, Vladimir Bonev, BPFK Central Committee chairman, deputy ministers of internal affairs, Soviet guests, party and MVR veterans, and others.

The meeting was opened and chaired by Major General Nikola Lalchev, first secretary of the MVR BCP RK.

Comrade Dimitur Stoyanov read the ukase of the State Council of the NRB [Bulgarian People's Republic] awarding Grigor Shopov the high title of Hero of Socialist Labor for the second time, and a letter of congratulations addressed to him by Todor Zhivkov, BCP Central Committee general secretary and chairman of the NRB State Council (the ukase and letter published elsewhere).

A warm speech on the life and activities of the man of the hour was delivered by Lieutenant General Georgi Anachkov, deputy minister of internal affairs. Grigor Shopov, who was born in German village, Sofia Okrug, in 1916, linked his life to the revolutionary struggle of the party and the working class from an early age. He joined the RMS [Workers Youth Union] in 1934 and the BCP in 1936. He was expelled from school for revolutionary activities in 1934. Later he became secretary of the primary party organization in his native village. During the resistance he hid senior clandestine party workers and

helped the partisans with weapons, food and money. After 9 September 1944 he actively participated in the building of socialism as bank director, secretary of okoliya people's council, second and first secretary of okoliya BCP committee, chairman of the executive committee of the Sofia Okrug People's Council, and deputy (1960) and first deputy minister of internal affairs (1973). He is member of the BCP Central Committee and a people's representative and a bearer of high state awards. Within the MVR he developed his practical and personal qualities and proved himself a talented Chekist, active organizer and a responsive manager. He deserves great credit for the implementation in the life and activities of MVR organs of the party's April course. He has tirelessly developed and strengthened combat fraternity between Bulgarian and Soviet Chekists.

Greetings on behalf of the collegium of the MVR, the MVR BCP RK and the MVR BPFK RK were presented by Lt Gen Stoyan Savov, deputy minister of internal affairs.

Comrade Vladimir Bonev greeted the guest of honor and presented him with an honor certificate and honor badge of the BPFK Central Committee.

Congratulations were presented by a representative of the USSR KGB.

The chairman announced that greetings had been received from the BCP Central Committee Social and National Security Department and other sociopolitical and state institutions. He announced that the Komsomol Central Committee Buro had decided to award Grigor Shopov the title of honorary Komsomol member.

With his typical modesty and warmth, Comrade Grigor Shopov expressed his gratitude for the high assessment of his efforts by the party and the government and asked that it be considered also as an assessment of the work of all of his combat comrades with whom he has shared and shares joys and difficulties in the difficult, responsible and highly humane work as a Chekist.

Letter of Congratulations by Todor Zhivkov, BCP Central Committee General Secretary and NRB State Council Chairman

To Grigor Shopov, Hero of Socialist Labor and First Deputy Minister of Internal Affairs, Sofia

Honored Comrade Shopov:

I am pleased to congratulate you on the occasion of receiving for the second time the high title of Hero of Socialist Labor and your birthday anniversary.

For many people, reaching the age of 70 means an end to active participation in the country's life. I am pleased that this is not your case. You are giving and can give a great deal more to the party and the homeland.

You have dedicated your entire conscious life to the struggle against fascism and capitalism and the building of socialism in Bulgaria. As a noted state and party worker, modest and honest and with high moral qualities as a person

and a communist, for one-quarter of a century you have dedicated your forces, experience and knowledge at the Ministry of Internal Affairs as deputy minister and first deputy minister. It is thanks to people like you that we are successfully blocking the efforts of the enemies to hinder the peaceful life of the people and harm our work and struggle for the implementation of the Leninist April general party line and the further upsurge of our dear socialist homeland, the Bulgarian People's Republic.

Once again, congratulating you on the occasion of your high award and your birthday, I wish you from the heart, dear Grigor, good health and happiness to you and yours.

May you achieve further successes in you responsible work.

17 January 1986

Yours, Todor Zhivkov

Ukase

On the basis of Article 93, Point 24, of the Constitution and Article 18 of the Ukase on Spiritual Incentive in the Bulgarian People's Republic, the State Council of the Bulgarian People's Republic

Decrees:

To award the title of Hero of Socialist Labor for the second time to Col Gen Grigor Velkov Shopov for active participation in the struggle against fascism and capitalism and for special merits in building and strengthening the authorities of the Ministry of Internal Affairs and on the occasion of his 70th birthday.

Todor Zhivkov, chairman of the State Council of the Bulgarian People's Republic

Nikola Manolov, secretary of the State Council of the Bulgarian People's Republic

General Shopov Interviewed

Sofia NARODEN STRAZH in Bulgarian 22 Jan 86 p 1-2

[Interview conducted by Major Vacho Radulov]

[Text] The rich professional and revolutionary experience of Twice Hero of Socialist Labor First Deputy Minister of Internal Affairs Col Gen Grigor Shopov has always been of interest to our readers. For that reason, in connection with his 70th birthday, we requested not so much a ceremonious but a practical conversation with him. We went to him the way one goes to a more experienced comrade and teacher, for advice. Actually nothing in his office indicated the usual atmosphere of celebration. He was energetic, strict and businesslike in his work, while at the same time, touchingly warm and

attentive toward those who came to him to congratulate him or simply to hear him speak. I mentally thanked the occasion of seeing directly and in a natural environment that which was discussed so sincerely with emotion and love at the celebration by his combat comrades, who were charmed by Grigor Shopov as a person, a communist and a leader. Surmounting my emotion, I asked my first question:

Comrade General, in the course of your many years of service in the MVR you have unquestionably had the occasion at other times to express your thoughts on revolutionary vigilance as a vital Chekist and militia virtue. What else could you say about it today?

[Answer] The new is actually old...in the same way that nobility is inseparable from our concept of a good person, vigilance is an inseparable part of the profound nature of an MVR official. This is his distinguishing feature without which he can be not an armed political fighter of the party but an ordinary employee. Without it our professional and our political sensitivity concerning what is base and ugly in life and the variety of the forms under which the class enemy is fighting us would wane. Socialism may have won in Bulgaria but the enemies of socialism in the world have by no means ended.... We must constantly enhance the signaling functions of our authorities, of every official. Based on such signals we must work persistently until they have been totally settled. Metaphorically speaking, the signals are the bread of the DS [State Security] and the people's militia and the others. We are strong by clearly realizing the intentions of criminals and enemies. Our vigilance must be supported by our love for the people and the revolution and our hatred of the class enemy.

[Question] The heroic record of the MVR personnel is inseparable from the revolutionary struggles of the party. This makes us proud of the fact that the successes of the MVR organs are part of the socialist accomplishments of our people. Can you indicate the sources of these successes and victories?

[Answer] Let me first of all indicate that direct guidance provided to the MVR organs by the BCP Central Committee and its Politburo and the personal attention and concern displayed by Comrade Todor Zhivkov, who has been guiding their activities for the past 30 years. It is the luck of the MVR personnel that our first party and state leader is one of the pioneers of the organs of proletarian dictatorship. At a turning point in the revolutionary struggles of the party, he headed the first staff of the people's militia. With his typical feeling of realism and political far-sightedness, at each stage he provided the accurate trend of development of the MVR and indicated the ways of upgrading the social efficiency of MVR personnel. That is why I would say that the generation of MVR officials who have worked under Comrade Todor Zhivkov's leadership over the past 30 years or so is a lucky generation. I would secondly name the support of the working people as we carry out our duties. The love and trust shown by the people to us should be protected like the apple of the eye. This is a precious accomplishment which we must develop through our moral, professional and civic behavior. Our unity with the people is an insurmountable barrier blocking the treachery of the enemy. Another source of our successes is the inexhaustible experience of our elder brothers in ideas and weapons--the Soviet Chekists. The school of the great

Dzerzhinskiy people is our irreplaceable professional, moral and political school.

[Question] After all those good wishes you heard on the occasion of your birthday, in turn, what would you wish the young MVR personnel?

[Answer] Let us be more accurate. Some people consider the term "young" as synonymous with inexperienced. This shows an unjustified scornful attitude toward the maturity of people who have had 10 to 15 years of practical experience in our ministry. It is they who today bear the main burden of our work and are its backbone. We trust and rely on them and value their desire loyally to serve the party and the people. Our trust in them is not expressed in words only. We daringly promote them to responsible positions and create all the necessary conditions for the full realization of their capabilities. Naturally, they will be learning from the experience of their colleagues. However, they must enrich more energetically this experience through their own creativity and examples of new and revolutionary way of thinking and acting. This is another occasion to use the word happiness: to us MVR veterans there is no greater happiness than to pass on the baton of our struggle to people with clean hands and honest hearts. That is precisely what I wish to my young battle comrades: steadily to grow morally, ideologically and professionally and to turn their service into their personal happiness and destiny.

[Conclusion] Comrade General, allow me on behalf of our readers to thank you for the possibility of this meeting with you through this conversation and to express my conviction that these "arguably" young people, whom you described as your "battle comrades" will cherish deeply in their hearts the warmth of the appeal expressed by you, a veteran in the MVR a leader respected by all of us.

5003

CSO: 2200/79

POLITICS

BULGARIA

BORDER CONTROL OFFICIALS WATCH FOR FORGED PASSPORTS

Sofia NARODEN STRAZH in Bulgarian 29 Jan 86 p 4

[Article by Anton Rusev: "Attention: Forged Passports!"]

[Text] It is a known fact that our country is an exceptionally important international highway and railroad junction linking Western Europe to the Middle East. The standards of political and socioeconomic development, geographic location, historical-ethnic features and extensive facilities for recreation and tourism make our country an attractive target for visitors. At the same time, crossing the country is inevitable in traveling between East and West. In 1985 alone the passenger flow totaled 15 million people.

In handling this huge amount of people and vehicles crossing our state borders, the Ministry of Internal Affairs, together with other state bodies, has organized proper control activities at the border control-passing points [GKPP]. In carrying out efficiently their highly responsible vocation of representing our socialist homeland at entrance and exit points of the country, the border passport control officials of the GKPP perform the entire passport clearance process. This involves the fast and qualitative check of foreign travel documents of individuals crossing the state border, and preventing such crossing with forged, false and fake documents, blocking efforts of illegally crossing the border by hiding in transport vehicles, and so on. The GKPP officials are the advanced guard of the security forces of the Ministry of Internal Affairs system. Their efforts, night and day, are invaluable. They are highly skilled Bulgarian cadres. Shoulder to shoulder with the personnel of the border customs and of medical, health and phytosanitary control, they block a variety of subversive activities against our socialist state, prevent the introduction of anti-Bulgarian and antisocialist publications, weapons, ammunition, drugs and contamination agents affecting people, plants and animals. The good organization of our authorities and their interaction with the other border control services contribute to the good results achieved by them in checkpoint GKPP activities. In 1985 our border points detained more than 3,100 people with forged passports and prevented the illegal entry into the country of more than 13,000 people.

In many countries specialists are dealing with the problem of forgeries and forgers. Nor is this problem new to the experienced personnel of our passport control services of the GKPP.

The reasons for the extensive use of forged documents for illegal crossing of the border are determined, above all, by the economic crisis which has spread to a number of Western European and Near and Middle Eastern countries over the past few years. The protracted war between Iran and Iraq is forcing many citizens of Turkey, Iran, Iraq and other countries, who have remained jobless and shelterless, to seek work in Western Europe. Failing to obtain official permission of the authorities, they make use of other people's granted or stolen passports. Such individuals replace the photographs either personally, grossly and clumsily, or else resort to the services of forgers who, naturally, against payments of \$300-400, change the passport more skillfully by replacing the photograph or deleting and adding text. Efforts are made to make the passports consistent with official requirements.

The second group individuals who use forged traveling documents for a variety of reasons are those whose names are included in the restriction lists of their own countries for charges of smuggling drugs and other goods and valuables or else are sought by the police for criminal activities. Usually, such people use valid and genuine passports either given to or stolen by them. They resort to the same forgeries as the people of the first group, with a view to concealing their true names from the border control authorities. Forgeries in this groups are more successful. They are done by organized forgers who use forged documents confiscated by the authorities but which resemble the real ones.

The third group of people use forged documents for traveling abroad, issued with original official blank documents but in which false data have been entered (issued to individuals whose names have nothing in common with the passport bearers).

What are the methods used by the forgers? First among them are forged copies of original documents for traveling abroad, i.e., documents which have not been issued by the competent legal authorities. Essentially, at first sight such documents resemble the originals with minor exceptions. To the specialist, however, this is sufficient for exposure, when compared with original models. A fourth group of forgers are those who invent passports of nonexistent countries and, naturally, have invalid passports.

Not only passports are forged. Visas issued by competent authorities and the seals of GKPP passport control services are also forged.

These facts prove the need for increased vigilance on the part of our GKPP personnel, thus blocking any attempt at crossing our state border with forged passports and documents.

5003

CSO: 2200/79

POLITICS

POLAND

ORZECZOWSKI SPEAKS AT ATHENS DINNER

AU250545 Warsaw TRYBUNA LUDU in Polish 20 Feb 86 p 7

[Report on toast by Foreign Minister Marian Orzechowski at the 19 February Athens dinner given in his honor by Greek Foreign Minister Karolos Papoulias]

[Text] Poland and Greece have links of traditional friendship. The histories of the Polish and Greek peoples are similar. They have enjoyed periods of glory and experienced bitter periods of lost independence. During the tragic years of World War II our peoples were among the first nations to oppose Hitlerite aggression and to join the heroic struggles against fascism.

We are pleased to state that our regular political dialogue, which began in the seventies, is still continuing. Your prime minister's visit to our country in October 1984 was of crucial significance for stimulating our relations.

Our talks today have confirmed the similarity of our views on the situation in Europe and the world. We agree that it is necessary to make common efforts to ensure that our countries, Europe, and the entire world can live in peace, security, and maximum progress.

Poland supports all initiatives seeking to strengthen peace and security in Europe and the world. We fully support the January proposals put forward by Mikhail Gorbachev.

We attach great importance to the proposals for nuclear-free zones in Northern Europe and the Balkans, for a corridor free of nuclear weapons in Europe, and for making the Mediterranean a zone of peace.

We continue to militate for the complete implementation of the CSCE Final Act and to support every initiative aimed at reducing tension in Europe. However, we are concerned about attempts to undermine the territorial-political status quo in Europe resulting from World War II and the postwar development. This status quo has been confirmed by multilateral and bilateral treaties and accords.

The situation in Poland, M. Orzechowski continued, is improving all the time. We continue to consistently overcome the crisis of the past few years.

We feel particular respect for those countries and governments that have shown their understanding for Poland's difficulties. I am pleased to stress that

Greece is one of the countries that had refused to give in to the demands that Poland should be treated as a means to an end. Our talks have shown that Poland and Greece want and are able to cooperate in favor of peace and security in Europe and the world.

POLITICS

POLAND

MALINOWSKI, RAKOWSKI ADDRESS SOCIO-ECONOMIC COUNCIL

LD101524 Warsaw PAP in English 1416 GMT 10 Mar 86

[Text] Warsaw, March 10--The socio-economic council at the Sejm (Polish Parliament) went into its inaugural session here today. Describing the council's significance from the point of view of the Sejm's links with the society, Sejm speaker Roman Malinowski said that these links strengthened during the last Autumn's parliamentary elections. The majority of the society came out in favour of continuing the policy of national agreement, on the basis of socialist systemic principles. Appointing the socio-economic council provides the Sejm with yet another opportunity of getting acquainted with the society's feelings and opinions.

The council's Chairman Mieczyslaw F. Rakowski, deputy speaker of the SEJM, stressed that the consultative, opinion-making, advisory powers of the council create great opportunities of participating in the process of improving Poland's socio-economic system. Being a representative body of socio-professional groups and various milieus, the council will be able to introduce various social circles to the mechanism of decision making.

7051

CSO: 2020/98-B

POLITICS

POLAND

URBAN ON ISRAELI INTEREST SECTION, DANCE TOUR

TA120626 Jerusalem Domestic Service in English 0500 GMT 12 Mar 86

[Text] Israel's dance company, Bat Dor, received a 7-minute ovation last night after their first performance in Warsaw, Poland. Among those attending the opening night were the wife of Polish leader General Jaruzelski and several government ministers, including Minister of Culture Zygulski. Bat Dor have one more performance in Warsaw before traveling to Lodz and Gdynia, as well as visiting the site of the Treblinka concentration camp. The tour ends next week.

Poland says the decision to invite the Israeli Bat Dor Dance Company has no political significance. The government spokesman said the performance was not an example of ballet diplomacy. Poland broke off diplomatic relations with Israel after the 1967 6-day war. In October, it was announced that Israel would establish an interest section in Warsaw. The government spokesman said the opening had been delayed by what he called technical matters, but it would take place.

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CSO: 2020/98-B

POLITICS

POLAND

POLISH CHURCH PUBLISHES QUARTERLY IN VIENNA

AU132206 Vienna DIE PRESSE in German 12 Mar 86 p 2

[Text] Vienna (KATHPRESS)--This week the first issue of the Catholic quarterly ZNAKI CZASU (SIGNS OF THE TIMES), which is published at the order of Polish Primate Cardinal Jozef Glemp, will come out in Vienna. The editor in chief is Andrzej Micewski of the Krakow paper TYGODNIK POWSZECHNY.

One of the reasons for publishing this quarterly is the fact that only 33 of the 2,766 papers and journals published in Poland are Catholic. The new paper also aims at Polish pilgrims to Rome.

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CSO: 2300/258

POLITICS

POLAND

PZPR POLITBURO ON 27TH CPSU CONGRESS

LD131434 Warsaw PAP in English 2123 GMT 12 Mar 86

[Text] Warsaw, March 12--The PUWP CC's Political Bureau studied a report by a PUWP delegation to the 27th CPSU Congress.

The debaters stressed momentous and historic significance of the congress of Soviet communists for the Soviet Union, international communist and working class movement and for the fate of entire mankind. The congress attainments are a creative contribution to developing the theory of Marxism and Leninism and to practising socialist building. For our party, the congress will be of particular significance in solving problems of socialist building, strengthening and deepening processes and socialist renewal.

A bold and long-range programme concept of how to proceed to the new stage of socio-economic development, presented at the congress, envisages essential systemic and social changes and contains ambitious and fully real tasks for Soviet nations under the CPSU leadership.

The congress confirmed incessant struggle for peace to be the main goal of foreign policy pursued by the CPSU and the USSR.

This goal is promoted by Mikhail Gorbachev's comprehensive programme.

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CSO: 2600/316

POLITICS

POLAND

YOUTH DAILY COMMENTS ON CPSU CONGRESS

AU141936 Warsaw SZTANDAR MLODYCH in Polish 10 Mar 86 pp 1, 5

[Jerzy Domanski article: "People and Programs"]

[Excerpts] Being an event of great importance in the state and one that sets out new paths of development for mankind, every CPSU congress is followed closely by the world. This congress, which completed its deliberations after 9 days of work, was observed particularly closely.

A great amount of work awaits the entire party and the congress delegates now that they have returned to their communities. The coming years will be among the most difficult: There is to be a significant acceleration of the rate of development during this period, accompanied by the simultaneous introduction of new economic and organizational mechanisms (frequently ones that have just been formulated) that will direct social activeness toward the attainment of the goals which have been set. Consequently, although the new solutions will not have borne fruit yet, significantly better results in the economy will have to be achieved beginning with 1986, and not with some point in the distant future. Without successes during this period difficulties will accumulate and the shortage of resources for modernization and social programs will worsen.

Doubling economic potential, achieving world levels in terms of modernity, alongside the expansion of social programs which will raise the quality of life in Soviet society, and the creation of a new position in the relationship of forces between socialism and capitalism are very great goals. This is another reason why the world watched the highest forum of Soviet communists so attentively.

For socialist countries the congress is valuable because of the great number of new ideas which it produced; ideas which multiply our common achievements and increase our common experience in the construction of the new system.

The intensification of integration and combining the intellectual and material potential of the CEMA countries, with particular stress on the acceleration of scientific and technological progress, are directly related to the ongoing discussion in the lead-up to the 10th PZPR Congress which will approve a long-term program and will set out the directions for Poland's development up to the end of the century.

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CSO: 2600/316

POLITICS

POLAND

HONKISZ ADDRESSES 25TH PZPR CC PLENUM

LD160535 Warsaw Domestic Service in Polish 1600 GMT 13 Mar 86

["Excerpts" of speech by Wladyslaw Honkisz, member of the Presidium of the Central Auditing Commission and head of the Cadre Policy Department of the Central Committee, on 13 March at the 25th Plenum of the PZPR Central Committee in Warsaw--recorded]

[Excerpts] Esteemed comrades. Two days ago the Central Committee Politburo examined the state of implementation of the Ninth Congress recommendations in the sphere of cadre policy. In my speech, I would like to focus the plenum's attention on selected, and in my opinion, more important issues of cadre policy, and the tasks arising from them for party echelons and organizations. After the Extraordinary Ninth Congress, the party's attention was focused on cadre policy. As transpires from various assessments and opinions, the documents on cadres adopted by the 13th Plenum constitute a good base for a uniform system on cadre policy.

The appraisal of cadres and cadre policy is part of activity of the Central Auditing Commission. This is a new element in the party's activity after the Ninth Congress.

Postcongress conclusions by the Central Auditing Commission confirm the view on an improvement and considerable advancement in the implementation of the main assumptions concerning cadre policy, but at the same time they show differences in scope between party echelons and organizations, as well as the existence of various irregularities in selecting executive cadres at various levels. The party has devoted a lot of attention to the observance and implementation of Article 33 of the PZPR statute, which concerns the party's opinion and recommendations for executive posts.

In the period 1983-85, regional party echelons, at the request of basic party organizations, party control commissions and auditing commissions withdrew the party's recommendations in cases involving over 2,000 persons at managerial posts, and almost 1,500 persons were subject to party sanctions. There were cautionary talks with over 10,000 persons occupying posts and functions at various levels. The number of recommendations withdrawn, party sanctions of its members, and cautionary talks with party members testifies to the inappropriate selection of some of the cadre for managerial posts. This is an alarming occurrence, which falls short of public expectations and feelings, shakes the credibility of cadre policy, and certainly it is unfavorable as far as consolidating the public's confidence in the party and people's authority is concerned.

One fact that should be appraised positively, and we are doing so, is that still growing numbers of party organizations are actively reacting to negligence, incompetence, dishonesty and transgressions of moral norms. We know of many examples, enough examples, of reluctant implementation of suggestions by inspection bodies concerning dismissals from posts.

It is suitable to go deeper in an attempt to answer the question: Why are there erroneous personnel decisions? It will be an indirect attempt to give a reply to comrades Skalski, Banko and Borowski, to opinions expressed yesterday, that the cadre policy is not the strongest activity of many party echelons and organizations.

In some enterprises, the activity of party echelons and organizations in the field of cadre policy is simply far removed from social needs and social expectations. In practice, party organizations do not use their powers sufficiently enough as regards Article 33 concerning giving references and recommendations for all candidates, including nonparty members. There are still cases of filling managerial posts in enterprises without asking for opinions from basic and departmental party organizations. Some of them only give references that show the positive qualities of people concerned. Often, references as given by one person, a secretary of a basic or departmental party organization, without consulting an executive, without discussions at a party meeting. Because of differences in knowledge of the contents of other documents on cadres, which defines the rights, duties, and tasks of party echelons and organizations, the policies on cadres are not implemented sufficiently.

As transpires from reports by many voivodship committees and from surveys, many basic and departmental party organizations acting in key industrial enterprises simply have little influence on the process of selection and promotion of managerial staff. In this state of affairs it can be of no surprise that as many as 27 percent of the participants in our polls expect an improvement in efficiency of the cadre policy at this level.

Let us see what opinion managerial cadres can take, based on facts included in reports by state control bodies, the supreme Chamber of Control, and the Main Territorial Inspectorate. For example: as the result of 19 comprehensive and 9 verifying inspections of voivodships carried out between 1983 and 1985, the Main Territorial Inspectorate inferred that 532 persons will be sanctioned for lack of supervision and glaring negligence. I am sorry to say that this group includes deputy voivodas, 13 mayors, 34 directors of large enterprises, and 13 chairmen and deputy chairmen of cooperatives, mostly the staff of middle level of management.

During a financial inspection in 1985, in every tenth enterprise economic corrupt practices were uncovered; over 3,000 abuses of financial and economic discipline were revealed. The resulting losses reached hundreds of millions of zoltyys. As a result of party and official decisions, about 300 persons were recalled from managerial posts, mainly heads of departments, directors, chairmen and chief accountants.

Life gives many examples of wrong personnel decisions and shameful attitudes of managerial cadres. The names of many--too many--managers are in the dossiers of investigation and prosecuting authorities, in post-control documents of worker-peasant inspection, in the press, and at meetings of party echelons and organizations. There are charges of mismanagement, squandering public property, not fulfilling duties, drunkenness, and often simple pursuit of private interests.

It is not my intention to generalize and disseminate critical assessments of managerial cadres. I am fully aware that the vast majority of managerial cadre performs its tasks and duties well--many very well. However, we should not be content with the situation when political and professional qualifications, ethics and morality of managerial cadres are only empty words; when, as TRYBUNA LUDU journalists reported 3 days ago as an example the Warsaw housing estate of Kolo, and I quote: It is astonishing to see the attitude of a party activist who, while not denying spotted faults and weak points, attempts to justify stagnation, passivity and inertness, and to find reasons, often trivial, that make impossible the implementation of resolutions in the matter taken by an executive or a committee plenum. End of quote.

Comrades, experiences of the last 3 years fully confirmed the correctness of priorities included in main assumptions of the cadre policy: the priorities concerning selection, appraisal, and development of cadre in militia and security service, prosecutor's offices, judiciary, diplomatic service, mass media, science, education, culture, state administration and in inspection bodies. The ideological and political, ethical and moral, and professional requirements have been raised systematically and consistently toward the cadre of these professions and bodies. A lot has been done to improve their knowledge, professional skills, and efficiency in action. The cadre situation in law-protecting bodies is changing favorably. Higher criteria of selection contributed to better performance of duties by officials of the Ministry of Internal Affairs. The administration of the ministry attaches great importance to shaping the moral and political state of the cadres and to a high level of discipline. There follows, perhaps below expectations, but there follows positive evaluation in the cadre policy in the bodies of administration of justice, judiciary, and prosecutor's offices. In recent years, this was often the subject of meetings of the highest party and state authorities and also meetings of the Central Committee Commission of Law and Order.

Since the ninth congress, the Central Committee dealt several times with the system of national education. The comprehensive assessment was made in particular at the 25th plenum of the Central Committee. The third Congress of Polish Science considered as one of the most important tasks the implementation of a program of developing scientific cadres, and encouraging an influx of young and talented people devoted to science.

We are of the opinion that party echelons should continue to focus attention on development of the cadres in social sciences, where there is a deficit of philosophers, politologists, sociologists, psychologists and historians. In party work we also should pay more attention to the implementation of the decisions of the amended law on higher education, and duties of managerial cadre transpiring from that.

Esteemed comrades, in the past the wrong cadre policy was one of the factors of crises and conflicts, but the policy conducted in accordance with Leninist guidelines--that the cadres decide everything, that the policy is conducted through people--is one of basic factors that support the process of renewal and future social and economic development.

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CSO: 2600/316

POLITICS

POLAND

OPZZ PRESIDIUM OPPOSES LONGER WORKING HOURS

AU071323 Warsaw TRYBUNA LUDU in Polish 4 Mar 86 p 2

[PAP: "The Presidium of the OPZZ Executive Committee on Longer Working Hours"]

[Text] The chief topic of the 3 March meeting of the Presidium of the Executive Committee of the All-Polish Trade Union Accord [OPZZ] was the recently published Council of Ministers directive concerning longer working hours in some factories between 1986 and 1990. In addition, the Presidium acquainted itself with a bill on factory social and housing funds which was recently submitted to the Sejm.

The Presidium upheld the generally negative stance adopted almost 1 month ago by the OPZZ Executive Committee toward the draft directive which would permit an extension of working hours. An administrative extension of working hours was regarded as undesirable, especially in those places where the supply situation and conditions for production prevent even a full use of normal working time. It was stated that decisions like this do not encourage thoughts about other intensive ways of increasing production and raising productivity, and, in particular, they hinder the seeking of ways of making better use of the factors of production, including cadres and their working hours. This last problem may be an important topic for talks between the OPZZ and the government. In the meantime, it is already apparent--it was said during the meeting--that some factory managements have treated this directive as an obligation to extend working hours, seeing this as the only possibility.

Trade unionists, it was stressed, are not opposed to work on Saturdays, bearing in mind the needs of the national economy and society and the possibilities of bonuses. However, they warn that excessive overtime boosts inflation and diminishes work discipline during normal hours. But they are in favor of giving workforces broad possibilities of voluntary and additional work wherever this may bring real, tangible, economic and social results. They are convinced that there will be no shortage of such initiatives. However, it is the workforces themselves and their representatives, the trade unions, that should decide on this.

Because the directive has already become reality, the OPZZ Executive Committee Presidium decided to ask the premier to explain in a commentary the most controversial points of this legal instrument. The point is to remind the economic administration about the statutory duty to consult factory trade unions about any decisions involving longer working hours. Trade unionists suggest that the validity of the directive be reduced to 3 years, and they believe it is

essential to thoroughly check what they regard as an excessively long list of factories where working hours may be extended. This cannot be merely a mechanical repetition of the list of factories subject until recently to special legal rules, because the country's economic situation has changed since 1983, together with the conditions and needs of individual enterprises.

The next topic on the agenda was the bill on factory social and housing funds. It was stated that the version of the bill submitted to the Sejm is markedly better than the original. This is the result of long negotiations by the government-trade union team. A particular achievement is the fact that these funds have been increased and that basic outpayments from these funds will be based on average wages in the socialized economy. However, not all of the trade unionists' demands have been taken into account. What is causing particular concern is that tax concessions granted for voluntary contributions of factory profits to social funds will be reduced. It was regarded as essential, however, that this law should be adopted as quickly as possible, because enterprises and workforces are waiting for it. This law should have been in force as of the beginning of this year.

Stanislaw Gabrielski, director of the PZPR Central Committee Socioprofessional Department, attended the meeting.

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POLITICS

POLAND

BRIEFS

NEW APPOINTMENTS ANNOUNCED--PZPR Member Roman Kobus has been appointed chairman of the Polish Committee on Standardization, Measures, and Quality. [Summary] [Warsaw TRYBUNA LUDU in Polish 28 Feb 86 p 2 AU] PZPR Member Jerzy Tomaszewski has been appointed under secretary of state in the Ministry of Communications. [Summary] [Warsaw TRYBUNA LUDU in Polish 28 Feb 86 p 2 AU] ZSL Member Marian Gala, previously under secretary of state in the Ministry of Education and Up-bringing, has been appointed voivoda of Bialystock. [Summary] [Warsaw TRYBUNA LUDU in Polish 28 Feb 86 p 2 AU] /7051

SIWICKI, ARMY DELEGATION IN INDIA--The delegation of the Polish Army, with General of the Army Florian Siwicki, minister of national defense, spent the 3d day of its official visit to India in the north of the country where it visited two units of the operational combat troops of the Indian Armed Forces. [Text] [Warsaw Domestic Service in Polish 2200 GMT 11 Mar 86 LD] /7051

CSSR-POLAND TV AGREEMENT--A long-term agreement has been signed in Prague on the cooperation of the Polish and Czechoslovak television as has the work protocol for 1986-1987. The two documents were signed by Miroslaw Wojciechowski, chairman of the Polish Radio and TV Committee, and Jan Zelenka, the director general of the Czechoslovak television. The agreement envisages, among other things, exchanges of all kinds of television programs, with priority given to current affairs programs, and exchanges of journalists, creative teams, and technical workers of various specialities. Also included are points on joint production when making films or programs, joint participation in television festivals, and assistance and exchange of experience in the sphere of technology and organization of work. [Text] [Warsaw Television Service in Polish 1830 GMT 11 Mar 86 LD] /7051

POLISH PLANE LANDS IN WEST BERLIN--[No dateline as received] On Tuesday [11 March] a Polish ambulance plane landed at Tempelhof airport in West Berlin. It was stolen and flown there by Edward Kruk: He was the only person on board. [Text] [Warsaw PAP Maritime Press Service in Polish 1200 GMT 12 Mar 86]

CULTURAL-SCIENTIFIC AGREEMENT WITH CSSR--A 5-year plan for the implementation of the cultural and scientific agreement between the governments of Poland and Czechoslovakia was signed in Prague today. The plan describes with precision the tasks of particular institutions, and scientific, cultural, and artistic societies of both countries. Stress is, however, laid on straightforward, everyday creative activity, popularizing the most outstanding artistic achievements and the results of scientific research. [Text] [Warsaw Domestic Service in Polish 1500 GMT 12 Mar 86 LD] /7051

2 April 1986

YUGOSLAV WRITERS, ZPL AGREEMENT --An agreement was signed today between the Polish Writer's Union (ZLP) and the Yugoslav Writer's Union at the Warsaw House of Literature. The agreement concerns cooperation between writers of the two countries, the exchange of experiences, arts grants and participation in joint cultural events. The document was signed by Zygmunt Wojcik and (Aleksandar Petrov), representatives of the two central boards. [Text] [Warsaw Television Service in Polish 1620 GMT 12 Mar 86 LD] /7051

SIWICKI MEETS PREMIER GANDHI--On the last day of his official visit to India, General of the Army Florian Siwicki, minister of national defense, was received by Premier Rajiv Gandhi. He conveyed to him cordial greetings from Wojciech Jaruzelski and Zbigniew Messner. During the conversation, which dealt with bilateral relations and cooperation, Rajiv Gandhi expressed conviction that the two states should constantly seek new areas of cooperation. [Text] [Warsaw Television Service in Polish 1830 GMT 13 Mar 86 LD] /7051

SIWICKI WITH INDIAN TROOPS --On the 4th day of its visit to India, the Polish Army delegation which includes General Florian Siwicki was in Bombay where it visited the world-famous shipyard and an operational unit of the Indian Naval forces. The delegation was received on board ship by the commander of the western command of the Indian Naval Forces, Vice-Admiral Jain name as received]. In the afternoon, the Polish Army delegation began the return journey to Delhi. [Text] [Warsaw Domestic Service in Polish 1900 GMT 12 Mar 86 ID] /7051

NUCLEAR WASTE STORAGE PLANS PROTESTED--Public opinion in Lubusz is still outraged by the plan to store radioactive waste in the bunkers of the Miedzyrzecz fortification region. There is to be a meeting in Miedzyrzecz tomorrow of parish authorities from Miedzyrzecz, Lubrza and Swiebodzin and of social activists with Sejm Deputies Margoriata Niepokulczyca and Wieslaw Nadowski. The participants in the meeting will also visit the bunkers selected by scientists for storage. We add that the scientific research, which will finally decide the storage location, is to last until 1990. [Text] [Zielona Gora Domestic Service in Polish 1605 GMT 14 Mar 86 LD] /7051

SEJM DELEGATION ENDS CSSR VISIT--A Sejm delegation led by Sejm Speaker Roman Malinowski has ended its official visit to Czechoslovakia. Today, the last day of their stay in Prague, the Polish guests were received by Czechoslovak Premier Lubomir Strougal. Opportunities for the continued realization of arrangements resulting from the last meeting between Wojciech Jaruzelski and Gustav Husak, and arising from economic, scientific, and cultural agreements between Poland and Czechoslovakia of many years standing, were discussed. [Text] [Warsaw Domestic Service in Polish 1900 GMT 14 Mar 86 LD] /7051

KOSZALIN AKTIV MEETS--In Koszalin today a voivodship conference of the workers' aktiv took place, devoted to problems of social pathology and the most important issues raised during the pre-congress discussion. The conference was attended by Politburo member Albin Siwak, as well as by the political and administrative leadership of the voivodship. During the conference Albin Siwak took the floor. He stressed inter alia the role and significance of the struggle against all social pathologies. Much space in his speech was devoted to the role that ought to be placed in solving these problems by the primary party organizations. [Excerpts] [Koszalin Domestic Service in Polish 1605 GMT 17 Mar 86 LD] /7051

POLITBURO ON ECONOMIC PLAN--Warsaw, March 18: The PZPR CC Politburo at its meeting here today, assessed the country's economic situation, the implementation of the tasks of the national socio-economic plan for the years 1983-85 and conclusions connected with the implementation of the 1986 central annual plan. The Politburo also listened to information on labour conditions and social situation at work places and reviewed a report on the implementation of motions and postulates put forward during the election campaign to the Sejm (Polish parliament) in 1985. [Text] [Warsaw PAP in English 2008 GMT 18 Mar 86 LD] /7051

HUNGER STRIKERS NOT IN DANGER--Warsaw, March 10 (AFP)--Jailed dissident Leader Czeslaw Bielecki, who went on hunger strike on October 13, is in "satisfactory" condition and is placing his own feeding tube in his esophagus, prison doctor Jerzy Bossak said here Monday. He said Mr. Bielocki, 33, was not in danger of dying, denying reports in dissident circles that he had suffered coronary trouble and risked heart failure. Mr. Bossak acknowledged that Mr. Bielecki had been force-fed, but said this was not the case anymore in so far as "he feeds himself by introducing the feeding tube in the Esophagus." The Rakowiecka prison physician said the condition of three other prisoners on hunger strike, Andrzej Gorski, Wlodzimierz Woroniecki, and Edmund Kraswski, also was "relatively good." [Text] [Paris AFP in English 1627 GMT 10 Mar 86 AU] /7051

PERUVIAN AMBASSADOR PRESENTS CREDENTIALS--Warsaw, March 14--Vice-President of the Council of State Kazimierz Barcikowski received at an audience here today the Ambassador Extraordinary and plenipotentiary of the Republic of Peru Mrs Maria Salazar Castellanos, who presented her credentials. Next, Kazimierz Barcikowski received the ambassador at a private audience. Also today, Mrs Salazar Castellanos laid a wreath at the tomb of the unknown soldier. [Text] [Warsaw PAP in English 1710 GMT 14 Mar 86 LD] /7051

PZPR PROGRAM COMMITTEE MEETS--Warsaw, March 14--Members of a team of the congress commission to prepare the PZPR Program, taking part in the debates of the 25th PZPR CC Plenum, met at the PZPR CC Headquarters here today. They reviewed the mode of the team's work and assumptions of a plan for central ventures connected with the discussion on the draft PZPR Program. The debates were chaired by Political Bureau Member and PZPR CC Secretary Jozef Czyrek. [Text] [Warsaw PAP in English 1931 GMT 14 Mar 86 LD] /7051

PZPR PERSONNEL RESOLUTION ACCEPTED--Warsaw, March 14: The PZPR CC acknowledges a report by the Politburo on implementation of recommendations of the 9th extraordinary PZPR congress concerning personnel policy and obligates the political bureau to adopt a resolution to further propagate and implement the contents of the "Main Assumptions of the PZPR Personnel Policy" and to upgrade political and organizational actions of party authorities and organizations in work with cadres. [Text] [Warsaw PAP in English 1615 GMT 14 Mar 86 LD] /7051

PALME FUNERAL DELEGATION RETURNS--Warsaw, March 16--Upon his return from Swedish prime minister Olof Palme's funeral ceremonies in Stockholm, Deputy President of the Council of State Kazimierz Barcikowski expressed his deep sympathy at the death of this outstanding politician who had commanded great respect in the world. This was emphasized in funeral speeches in Stockholm, which condemned terrorism and recalled, among other things, the assassinations of Aldo Moro and Indira Gandhi, said Barcikowski while speaking to a Polish TV reporter. Barcikowski said that the Polish delegation had talks with representatives of the Swedish Government and political parties on Polish-Swedish relations. The state of these relations was favourable but, naturally enough, they could be better, he added. [Text] [Warsaw PAP in English 2122 GMT 16 Mar 86 LD] /7051

HUMAN RIGHTS ACTIVIST SENTENCED--Warsaw--Yesterday a court in Szczecin sentenced 58-year-old Dzizslaw Podolski, member of the Polish Committee for the Defense of Human Rights, to 2 years and 3 months in prison. Podolski was arrested in December 1984 after his house had been searched. After a hunger strike he was temporarily released, but arrested again on 19 February 1986. [Text] [Vienna ORF Teletext in German 0742 GMT 12 Mar 86 AU] /7051

SHEVARDNADZE AT WARSAW MEMORIALS--Warsaw, March 18: Soviet Foreign Minister Eduard Shevardnadze laid a wreath at the Tomb of the Unknown Soldier here today. Next, he paid homage to Soviet soldiers fallen in the struggle against German fascism for the liberation of Poland and Poland's capital at the cemetery-mausoleum of Soviet soldiers here. [Text] [Warsaw PAP in English 1318 GMT 18 Mar 86 LD] /7051

POPIELUSZKO'S CHAFFEUR FILES COMPLAINT--Warsaw, March 17 (AFP)--The chauffeur of Jerzy Popieluszko, the pro-Solidarity priest slain by three policemen in October 1984, filed a complaint Monday charging that his 23-year-old son had been beaten by police. Waldemar Chrostowski, who escaped the abduction that ended in Father Popieluszko's death, said in his complaint that his son Krzysztof was clubbed by officers in a police van, then beaten further at a police station. He said the incident occurred after his son was picked up for questioning by four policemen as he was leaving a Warsaw discotheque with friends last Saturday night. Krzysztof Chrostowski was in hospital Monday with head and abdominal pains, his father said. His complaint was filed against persons unknown. [Text] [Paris AFP in English 2006 GMT 17 Mar 86 AU] /7051

POLICE BEAT CHAUFFEUR'S SON--Warsaw, March 17 (AFP)--The 23-year-old son of the chauffeur of Catholic priest Jerzy Popieluszko, murdered by secret police in October 1984, was beaten up by police on the weekend, friends said here on Monday. Krzysztof Chrostowski, whose father Waldemar was abducted with his employer but escaped and publicised his fate, was dragged into a police car and beaten after he left a discotheque on Saturday night, friends said. He was freed on Sunday but had since been admitted to hospital suffering from headaches and periodic losses of consciousness, they added. [Text] [Paris AFP in English 1520 GMT 17 Mar 86 AU] /7051

CSO: 2020/99-E

SCIENCE AND TECHNOLOGY

BULGARIA

FUTURE DEVELOPMENT OF MACHINE BUILDING OUTLINED

Sofia VECHERNI NOVINI in Bulgarian 11 Feb 86 pp 1-2

[Article by Mariya Butinova: "In A Priority Position"]

[Text] This new rubric will discuss topical problems of our work and the development of our thoughts and actions in achieving the high objectives set by the party. During the days preceding the 13th party congress, here noted scientists and social and economic leaders and workers in education, art and culture and workers and specialists in Sofia will share their views on the tasks and ways for the implementation of these objectives.

Today our pregress floor is held by Engineer Lyubomir Moynov, senior scientific associate, honored worker in technology, director of the Central Scientific Research Metal Cutting Machines Institute.

One year has passed since the February BCP Central Committee Plenum. With its major topic--the accelerated development of scientific and technical progress--it defined the content of our further work. Two years ago Lyubomir Moynov, director of the Central Scientific Research Metal Cutting Machines Institute, briefly summed up in this newspaper the targets of the collective which is developing means of production which determine the quality of machine building output. Let us recall his words: "The development of metal cutting machines with microprocessor control, automated technological modules, automated technological lines and flexible production systems, which create conditions for plants employing fewer workers in the first and second shift and without human participation, exclusively under the supervision of the dispatcher, at night, will continue. Our aspiration is to turn this into reality by the end of 1985."

It is very important for a collective to make accurate estimates! These days, on the eve of the 13th BCP Congress, specialists from the institute are bringing to life at the Metal Cutting Machines Plant in Sofia the first two Bulgarian flexible automated production systems. The thoughts of Engineer Lyubomir Moynov deal with the future of this dynamically developing area of our machine building and the contribution of the specialists at the institute in mounting a broad offensive in the field of scientific and technical progress:

"As the offspring of the party's April policy, today machine building accounts for more than one-half of the country's national income. The high share of machine building output will continue to grow in the overall volume of industrial production and exports. This trend also determines our further development. During the 9th 5-year plan, the Institute for Metal Cutting Machines will become a standard for the organization of the development and application of metal cutting machines and automated sets. Based on global accomplishments and the needs of our country, new, more advanced highly productive machines will be developed and applied, involving the latest successes of microprocessor technology. The creative activities of our specialists have a specific purpose: through their efforts they are supplying the means for comprehensive production automation. Automated technological lines, automated and robotized sectors and complexes, including flexible automated production systems, represent the future of our plants. This is the proper direction. The global situation in metal processing obligates us to assume an anticipatory position. We shall create and apply integrated technologies and standardized technological processes in order to reach the objectives which could be characterized as follows: quality, high productivity and economy of labor, material and raw materials."

We must also resolve problems related to the automation of engineering work and preparations for production and management organization.

Our contribution to the end results achieved by the Machine Building Plants DSO [State Economic Trust] will be more considerable in the period through 1990. The share of flexible automated production systems will account for a great deal of its output. For the next 15 years the trend in the development of the production of metal cutting machines will be based on the optimal solution of two basic problems:

The planned growth of machine building output in the country must be ensured by meeting the needs for metal cutting machinery, for updating and expanding the machine fleet and ensuring quality improvements in its structure;

Actively participating in shaping the national income by providing machinery for export based on international market and contractual conditions.

What is new here? The technical structure of the machines will be improved. The purpose is to upgrade the reliability of machines and their control, compared with the best world standards. This is an ambitious task within our possibilities. We shall further develop the family of horizontal lathes with digital programming. The range of structural elements for automated lines for large-series and mass production will be broadened. High-precision machinery for diamond machining will be created by our specialists for the electronic, optical and laser industries.

We shall expand and update in the processing centers the range of horizontal machines on the basis of the utilization of foreign experience. Milling machines will be developed in two essential areas: servicing flexible medium and small-series production and providing structural units for the automated lines and separated automated machines. The models for combined milling will be

developed into centers with automated spindle replacement. Such joint work done with Soviet specialists offers good export possibilities.

Scientific services to production will be provided under the conditions of the intensive development of the scientific and technical revolution. The institute has undertaken the implementation of our concept for the development of the material and technical base in accordance with the requirements of scientific and technical progress. The building of a production-technological and laboratory structure will create prerequisites for drastically upgrading design productivity and contribute to the fast intensification of processes for the development of highly productive complexes. Work quality will improve. The reconstruction, modernization and expansion of the experimental plant and testing grounds will create conditions for automating the development of individual and sets of prototypes. A flexible automated production system will replace the obsolete equipment at the institute's plant and improve the organization of production through the "services" of computers. The GAPS [Flexible Automated Production System] will mean in our case higher labor productivity and a triple increase in the volume of output, reducing the cycle of machining tenfold and doubling the coefficient of utilization of equipment and its flexibility.

Whereas until recently what was required of us was to make the machine or the module and deliver it to the customer, today we must also offer a new organization based on such technology or, in stronger terms, a new control philosophy. In other words, our activities are assuming exceptional importance not only in the radical reorganization of Bulgarian machine building but also all aspects of our life. It is with this profound understanding that we are preparing for the 12th party congress and for the implementation of its resolutions.

5003

CSO: 2200/78

SCIENCE AND TECHNOLOGY

GERMAN DEMOCRATIC REPUBLIC

ACTIVITIES, COOPERATION IN BIOTECHNOLOGY NOTED

East Berlin BAUERN-ECHO in German 18-19 Jan 86 p 7

[Article by Dr Rolf Kraushaar of the Central Institute for Molecular Biology of the GDR Academy of Sciences: "Joint Search for 'Key to Life': Research Cooperation Brings Rapid Progress in the Biosciences"]

[Text] Thanks to the excellent pace of research in the biosciences, increasingly new and very far-reaching possibilities for consciously using the laws of the living world in order to better satisfy human needs are currently opening up.

Molecular biology--as a still young scientific discipline resulting from the combination of biology, physics and chemistry--is playing a decisive role in this in that it is looking into changes in the molecular structure of cells and their effects on the organism's life processes. In this, attention has been focused on the fundamental material substrata of life: proteins and nucleic acids. The long chain molecules of nucleic acids are the carriers of genetic information, which is to say that they determine the combination of proteins from their amino acid constituents. Using a very specific and complicated arsenal of methods, molecular and cell biology research determines not only the structure and mode of operation of these "keys to life" as well as of certain cell organelles. For several years, it has also been able to use genetic technology to manipulate genetic material and thus, for example, enable bacteria to produce desired active substances such as insulin. Such possibilities show the responsibility of the Berlin-Buch Central Institute for Molecular Biology (ZIM) of the GDR Academy of Sciences in assuring scientific advancement in the development of new biotechnological processes and products for health care, agriculture and the chemical industry.

For an optimal structuring of scientific processes and with the goal of assuring the highest effectiveness of the deployed potential, diverse forms of national and international cooperation are absolutely essential today. Thus, ZIM is at present working together with more than 30 domestic and foreign partners.

Within the framework of a long-term economic agreement, for example, ZIM is using X-ray crystal structure analysis to study, for the VEB Pharmazeutisches Kombinat Germed in Dresden, the nuclear spatial structure of substances that

are of interest for the development of pharmaceuticals with new or improved characteristics.

The partnership with the Institute for Organic Chemistry in Novosibirsk and the Pushchino Institute for Protein Research for work on analyzing eucaryotic ribosome, the protein synthesizing structures of the cell, is proving to be extraordinarily fruitful within the context of the multilateral molecular biology academy agreement. The diameter of a ribosome is approximately 30 nanometers, which is to say three-millionths of a centimeter. From 100,000 to a million ribosomes accomplish an astounding amount of work in each cell. With extreme precision, they link 20 different amino acids to protein molecules, depending on the message coming from the cell nucleus.

One of the goals being pursued by new research projects in this area is to be able to exert influence on the effectiveness of protein biosynthesis--in the production of microbic protein, for example.

The ZIM is involved in a very close cooperative tie with the Pushchino Institute for Protein Research and the Institute for Biophysics of the Academy of Sciences of the USSR in realizing the CEMA program "Studies in the Area of Biophysics." For example, international recognition was accorded the results of the joint work on the explanation of the protein structure with the help of calorimetry, whereby the Soviet and East German scientists each concentrated on mastering specific processes, which contributed significantly to the progress of the project. Through measurements of heat use or heat emission, calorimetric methods allow important conclusions to be drawn concerning the structure of proteins which are closely connected with their effectiveness as enzymes, building substances, reserve material or transport functions.

Furthermore, the institutional agreement between the ZIM and the Ivanovski Institute for Virology of the Academy of Medical Sciences of the USSR arranges for a give and take to the advantage of both parties. While the Soviet side relies on our experience in certain work on genetic technology, the GDR is presented with the opportunity to use in Moscow the methodological potential of microinjecting genetic material in mammalian cells. Practical long-term consequences of this are seen for creating working animals with higher capacities and new characteristics.

There are also fruitful contacts with scientific institutions in Sweden, Great Britain and France, including one with Great Britain for the elaboration of important principles for diagnosing hereditary diseases in humans.

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